



Daily Report

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Daily Report

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General

UN Peacekeepers Urged To Respect Sovereignty

OW1311234292 Beijing XINHUA in English 2307
GMT 13 Nov 92

[Text] United Nations, November 13 (XINHUA)—All peace-keeping operations of the UN must be based on the respect for the principle of state sovereignty and non-interference, a Chinese delegate said here today.

Speaking at the special political committee of UN which has been considering UN peace-keeping operations, Chinese delegate Cheng Jinye said that peace-keeping operations must be set up at the request of the all parties concerned or with their consent and cooperation.

The peace-keeping operations, at the same time, must strictly observe neutrality and impartiality and no operations should be allowed to use force except in case of self defense, he continued.

With the increase of UN peace-keeping operations and the daily expansion of their activities, the Chinese delegate pointed out, the UN is under heavier and heavier pressure in terms of human, material and financial resources. Therefore, how to cope with such a new situation has a direct bearing on the future of UN peace-keeping operations.

He said that his country is willing to cooperate with other countries to work out a practical and fair solution to these problems.

To further enhance the efficiency of the operations, he said, the UN should take into account the actual conditions and its capabilities and act accordingly. At the same time, the relevant parties have the responsibility to provide all the necessary cooperation and make full use of the favorable conditions created by the operation to seek an early solution to the conflict.

He also called on the international community to take all necessary measures to ensure the safety of peace-keeping personnel.

Envoy at UN Decade of Law Activities

OW1311224192 Beijing XINHUA in English 2145
GMT 13 Nov 92

[Text] United Nations, November 13 (XINHUA)—China took an active part in the activities of the U.N. Decade of International Law and was pleased to see it making tangible achievements.

These remarks were made today by Liao Jincheng, Chinese representative to the Sixth Committee (Legal) of the 47th U.N. General Assembly, when it took up the item on the decade.

The decade, from 1990 to 1999, was declared by a U.N. General Assembly resolution in 1989, which aimed at promoting acceptance of and respect for the principles of

international law as well as the means and methods for the peaceful settlement of disputes between states, including resort to and full respect of International Court of Justice.

A 1990 U.N. resolution decided to commence activities during the first term (1990-1991) of the decade, and encouraged member states to provide information on the activities they had undertaken.

In his statement today, Liao Jincheng said that China had consistently supported the decade and had organized various activities in this connection.

In August 1991, Liao said, China, with the cooperation of the U.N. environment program and other agencies, sponsored a symposium "On Developing Countries and International Environmental Law" with 32 experts and scholars from 17 countries attending, and in August, 1992 it held a symposium on "Third World Countries and International Law" which was participated by 34 noted jurists and scholars from over 20 countries.

Prior to the second symposium, Liao added, the Chinese Society of International Law sponsored an international symposium on the teaching and study of international law.

"All the participants shared the view that the Chinese Government attached great importance to the activities of the U.N. Decade of International Law," Liao said.

He also said that it was the common desire of the majority of countries that the role of the International Court of Justice be strengthened and international disputes settled by peaceful means, and in this regard China had taken practical measures to strengthen the role of the court.

'Roundup' on Korea's Ties With Southeast Asia

OW1511193692 Beijing Central People's Radio
Network in Mandarin 0500 GMT 6 Nov 92

["Roundup" by Li Dongzhe and Qi Wenhuan of the Institute of Foreign Issues under the Beijing Municipal Academy of Social Sciences; from the "International News and Current Events" program: "Korea Actively Develops Economic and Trade Ties With Southeast Asia"]

[Text] At the government's request the Korean Institute of Industrial Research presented a report on Korea's industrial policy in the 21st century. In addition to making a comprehensive analysis of both the current state of Korea's economic development and the conditions of its development at this critical juncture, the report sets economic targets which Korea will achieve by the year 2001.

According to the plan, in the early 21st century Korea's industrial production will rank fifth in the world; its electronics industry, automobile output, output value of

general machinery, output of rough-rolled steel, petrochemical products, textile goods, ship building, and output of shoes will all reach a new level. It is not hard to see that Korea's strategy and economic development objective in the 21st century clearly reflects its courage and ambition to compete with the most industrialized countries in the world.

Exports constitute a major segment of Korea's economy. It has been noted that Korea will continue to consider exports as an important pillar of its economy while executing the new strategy for economic development. However, Korea's international market has experienced certain unfavorable changes. Its markets in the United States, Japan, and Europe have shrunk; its market share in the United States has dropped from 23.3 percent to 18.3 percent; its market share in Japan has dropped from 26 percent to 20.7 percent; and its market share in the European Community has dropped from 12.2 percent to 10.8 percent.

According to Korean papers, the market share of Korean products in the United States ranks seventh after Canada, Japan, the European Community, Mexico, and China. Korea had an unfavorable trade balance with Canada last year, following six consecutive years where it was favorable. According to HANGUK ILBO, Korea's five-year plan to reduce its trade deficit with Japan also failed; that trade deficit reached a record high last year of \$8.8 billion, or three times [san bei] higher than planned.

In the face of these disadvantages, in recent years Korea has been striving to seek and explore new international markets. Particularly noteworthy is the rapid development of Korea's economic and trade ties with Southeast Asia, which comprises six ASEAN countries—Indonesia, Singapore, Malaysia, Thailand, the Philippines, Brunei—as well as Bangladesh, Burma, Bhutan, Hong Kong, Macao, and Taiwan. Southeast Asia has become Korea's largest regional economic and trade partner.

The total growth of Korea's exports to Southeast Asia was 4.2 percent in 1990, then jumped to 10.5 percent in 1991. That growth reached 11.6 percent during the first quarter of this year. Of Korea's total exports last year, exports to Southeast Asia were proportionally larger than those of Japan. According to a report on Korea's export to ASEAN published by the Korean Ministry of Trade and Industry, exports to the six ASEAN members reached \$7.176 billion in 1991, topping that of the preceding year by 41.8 percent. Because of Korea's increasingly active economic and trade activities in Southeast Asia, some feel that Korea is demonstrating its prowess in Southeast Asia in a major way.

If we analyze why Southeast Asia has rapidly become the principal market of Korean goods, we can see there are four major reasons:

First, Korea has been lured to develop economic and trade relations with Southeast Asia because of the rapid

economic growth, industrialization, and expansion of (?the interior) in these countries and regions.

Second, wages in Korea have increased rapidly, and since 1989 there have been incessant strikes among workers. Consequently, more and more Korean enterprises have relocated to Southeast Asia, laying a solid foundation for Korea to develop economic and trade ties with Southeast Asia.

Third, Korea promptly adopted different import-export strategies to consolidate established relations and to develop new relations when its markets receded in the United States, Japan, and the European Community. Consequently, the development of economic and trade ties with Southeast Asia has had the support of the necessary policies.

Fourth, because of cheap labor and other favorable regional conditions, Southeast Asia provides the objective conditions for Korea to develop economic and trade relations with that area.

According to an analysis made by Korean banking officials, while Korea suffered trade deficits last year in its trade with Japan, the United States, and the European Community, Korea's trade with Southeast Asia had a favorable trade balance of \$5.46 billion. These officials assert that Korean enterprises have found it extremely necessary to develop their business in Southeast Asia.

Korea has a population of 43 million, a territory of 98,000 square km, little natural resources, and a small home market; thus large Korean enterprises have found it necessary to energetically develop economic and trade ties with Southeast Asia. If Korea's strategies for developing multilateral and diverse economic ties are carried out smoothly, the success will be able to make up Korea's internal economic disadvantages at home and enable Korea to achieve its economic strategy, push the entire economy to a higher level, and open a vital and promising new course.

United States & Canada

Clinton Imposes 'Strict' Rules on Transition Team

OW1311224292 Beijing XINHUA in English 2134
GMT 13 Nov 92

[Text] Washington, November 13 (XINHUA)—U.S. President-elect Bill Clinton today imposed strict ethics rules upon his transition aides to prevent them from becoming lobbyists soon after he takes office or profiting from their transition ties.

"I want to send a signal that we are going to change politics as usual," Clinton told reporters at Little Rock, Arkansas, this morning.

The ethics rules bar transition participants for six months from lobbying federal agencies that they were involved in setting up and ban top transition directors from all lobbying.

The rules also require Clinton's transition aides to sign financial disclosure reports and pledge they will not engage in any transition activity where they, a family member or a client may have a financial interest.

According to the rules, all transition aides will be under a permanent ban from using non-public information they obtained during the transition for private gain.

Clinton transition director Warren Christopher called the ethics guidelines "by far the strongest, toughest rules ever put forward by a presidential transition."

"It is designed to ensure that... (transition aides) will treat their responsibility as a public trust," Christopher said at a news briefing in Little Rock when he outlined the rules.

He said transition participants should guarantee that "no person trades on his or her work in the transition for private gain."

Any transition aide who violates the rules will be subject to immediate dismissal, the director said, adding that Clinton will likely sign an executive order upon taking office to enforce it.

At his first post-election news conference in Little Rock yesterday, Clinton said he hoped imposing strict ethics rules would boost "the credibility of our decision-making."

Clinton's ethics code released today will be followed next week by more strict rules for his administration, also designed to slam the revolving door on would-be lobbyists.

The rules are expected to impose a five-year lobbying ban on anyone who takes a job in his administration. The current ban is one year.

Clinton also pledged to reform the lobbyist disclosure and campaign finance laws during his campaign when his rival independent Ross Perot touched a nerve with angry voters by attacking the special interest and the revolving door of Washington.

According to the recent U.S. Government statistics, 82 former high-ranking federal officials, including cabinet members, senators and house representatives, who left their job between 1986 and 1991 have since been lobbying the U.S. Government for foreign interests.

CPC 'Think Tank' Studies Clinton Since Aug

HK1611020392 Hong Kong TUNG HSIANG in Chinese No 87, 1 Nov 92 pp 10-11

[Article by Chin Hsiu-Ming (6855 4423 2494): "CPC's Foreign Affairs Think Tank Studies Clinton"]

[Text] Psychologically Prepared for Clinton's Election

Even though communist China has publicly voiced severe criticism and has adopted a tough stance on so-called "intervention in internal affairs" by the United States on the questions of trade negotiations, arms sales, and human rights, more than a few within the CPC privately hold the view that excellent Sino-U.S. relations have a tremendous impact on the construction and development of China. Because of the high premium placed on Sino-U.S. relations, the CPC was particularly interested in the successor to President George Bush.

As early as in mid-August, the State Council had already nominated Huang Hua as head of a research team to study Bill Clinton's policies. The team included more than 20 members who were formerly in charge of PRC organizations in the United States and U.S. experts from the State Council's policy research office. In mid-September, this team submitted an assessment report to the party Central Committee and the State Council on the possibility of Clinton entering the White House and maintained that Clinton had an 80 percent chance of being elected. A second report on the impact of Clinton's election to China was delivered in early October. These actions show that China had already drawn its conclusion: Clinton will be elected. At the same time, they illustrate China's extreme concern about a change of presidents in the United States.

Sudden Reversal Before Deadline Expires

On one hand, the CPC is reluctant to see Clinton replace its "old friend" Bush in the White House; on the other hand, it does not wish to see Sino-U.S. relations fall into a stalemate. The CPC's fear of a break in relations with the United States may be seen from an internal speech by Deng Xiaoping, as well as from the recent Sino-U.S. trade negotiations on "301." Half an hour before the 10 October deadline set by the U.S. side expired, an agreement was finally signed by the Chinese and U.S. sides in connection with the "301" trade negotiations, thus preventing a Sino-U.S. trade war which would have had serious consequences.

It has been common CPC practice to sacrifice economic interests for political gains. At the Sino-U.S. "301" trade talks, even though communist China was visibly at a disadvantage (confronted by the possible loss of the vast U.S. market and an ensuing series of political and economic setbacks), it continued to adopt a tough stance. However, shortly before the U.S.-set deadline expired, the talks suddenly underwent a turnaround, an indication of the more flexible strategy adopted by communist China's trade delegation at the negotiating table.

Deng Xiaoping Accused of Selling Out Country's Interests

According to sources close to the core of the CPC, someone inside the CPC denounced the major compromise made at the Sino-U.S. trade talks as "selling out of the country's interests," "a rightist tendency," and

"capitulation." This was refuted by Deng Xiaoping, who said: "Sino-U.S. confrontation will have an impact on regional and world peace, and it will also bring about losses which cannot be underestimated to the people of the two countries, as well as to our country's construction endeavors."

Deng Charges Opposition With Being Politically Irresponsible

Reports claim that Deng Xiaoping spoke on relations with the United States to some members of the Political Bureau and its Standing Committee in mid-September, and this was conveyed by Jiang Zemin at Political Bureau meetings on 17 and 18 September. By late September, Deng's speech had already been transmitted to the party committees of various provinces, autonomous regions, cities, central ministries, departments, all of the armed services, and the major military regions and districts.

Deng Xiaoping said: "Some comrades in the party have criticized our U.S. policy as being a serious rightist tendency and capitulation and have claimed that we have attached the technology, resources, and capital of imperialism to the building of the four modernizations and that we have taken a pro-U.S., pro-Western path of development in terms of national policies, thus allowing the United States to blatantly intervene in the internal affairs of our country. This kind of denunciation is extremely one-sided and politically irresponsible. To put it more explicitly, it is actually opposed to reform and opening up and remains tied up with the question of whether something is surnamed 'socialism' or 'capitalism.'"

U.S. Hegemonism Leads to a Deterioration in Bilateral Ties

Even though Deng Xiaoping is more inclined toward the saying: "Better good far away than evil at hand," he is reluctant to see his reform line affected by deteriorating Sino-U.S. relations and favors pragmatism, flexibility, and compromise in policy toward the United States. In general, there is not much difference between his views and those of conservatives like Chen Yun, as they all see the United States as the number one enemy wanting to force China to give up socialism. Deng said: "The stalemate and deterioration in Sino-U.S. relations today did not arise as a result of our accommodation of the United States in the past. Political circles around the world can see very clearly that the deterioration of Sino-U.S. relations is caused by U.S. hegemonism and power politics, which form part of a new strategy resulting from a complete dissociation from the confrontation with the former Soviet Union. Today, the United States can openly tear up the Sino-U.S. '17 August communique' and intervene in the internal affairs of another country. This is a black mark on the international reputation of the United States and is a step taken by the United States ahead of everyone else. We do not wish to see Sino-U.S. relations deteriorate and decline. We have never played any card in the past or in the

present because it is our national policy to oppose hegemonism as well as power politics and to engage in our construction endeavors wholeheartedly."

"China and the United States are not Separated by Purely Economic Differences"

In refuting those against him, Deng Xiaoping said: "We have made the greatest compromise in the Sino-U.S. trade talks, and some people accused us of selling out the country's interests. This is rubbish. It is now up to the United States. If it wants to extract a price politically, it will not succeed. If it wants to pressure us through the economy and trade, then it is entirely necessary for us to make all kinds of preparations."

Sino-U.S. Trade Agreement Is Conducive To Peaceful Evolution

Some people maintain that a reconciliation in Sino-U.S. relations is extremely important to Deng Xiaoping as it will allow his line to maintain its advantage and provide a shot in the arm to his economic reforms. In the long run, communist China will have to open more markets to the United States. This will be conducive to efforts to turn China more capitalist and thus speed up the process of peaceful evolution.

'Experts' View Future Sino-U.S. Relations

HK1611054092 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0836 GMT 14 Nov 92

[Text] Beijing, 14 Nov (ZHONGGUO TONGXUN SHE)—Experts on international issues in Beijing believe that when Clinton takes office in the White House, Sino-U.S. relations may suffer setbacks. Since the Democratic Party has a majority in Congress, a Democratic president will create more obstacles to China's entry into GATT and the renewal of its MFN [most favored nation] status next year. Chinese enterprises should be fully prepared for this.

Zhou Jirong, researcher of the China Research Institute of International Relations, maintained that when Clinton assumes office, Sino-U.S. relations are unlikely to deteriorate to a serious extent, but their trade and economic relations may suffer setbacks.

Zhang Yebai, researcher of the Institute of North America under the Chinese Academy of Social Sciences, also pointed out that when Clinton enters office, protectionism in the United States will gain ground and Clinton will adopt a rather uncompromising attitude toward foreign trade. Though China and the United States reached an agreement on the "301" issue in October, the Clinton administration will possibly make it difficult for China to join GATT and will make more demands of China on market access. In addition, China will come up against greater difficulties in renewing its MFN status. He maintained that China and the United States should solve their trade disputes before the MFN issue is presented for debate next year.

Wang Shuzong, vice director of the America Center under the Beijing Foreign Issues Research Association, held a different opinion. He said: Since Clinton will try to boost the U.S. economy after he assumes office, he will look at the practical problem of maintaining Sino-U.S. trade relations. He will therefore find fault with China over human rights issues, but he is very likely to assume a practical attitude to trade problems. He added: Chinese enterprises should be prepared for the worst and try to open up more markets abroad rather than depending too much on the U.S. market. At present, we should try to prevent Sino-U.S. relations from regressing to an undesirable extent.

Central Eurasia

CIS Summit Fails To Reach Agreement on Charter

OW1411140192 Beijing XINHUA in English 1349
GMT 14 Nov 92

[Text] Moscow, November 13 (XINHUA)—The heads of government of the Commonwealth of Independent States (CIS) have failed to reach agreement on a CIS charter here today, ITAR-TASS reports.

Ukrainian Prime Minister Leonid Kuchma told reporters that Ukrainian President Leonid Kravchuk will not sign the current draft of the charter and the charter is expected to be discussed early next month.

ITAR-TASS quotes sources concerned as saying that the Commonwealth will survive if five CIS nations finally sign the charter.

A one-day meeting of the CIS government heads ended here today.

MOFERT Official on Russian Cooperation

OW1311135392 Beijing XINHUA in English 1253
GMT 13 Nov 92

[Text] Beijing, November 13 (XINHUA)—A trade expert from China's Ministry of Foreign Economic Relations and Trade (MOFERT) said here today that there exists strong potential for economic and trade cooperation between China and Russia.

Zhang Chunlai, head of the Eastern Europe and Central Asia Division of the International Trade Institute under MOFERT, said at the just-concluded international seminar on Sino-Russia relations that recent years have witnessed robust growth of border trade and local trade between China and Russia, marking a new stage of the development of bilateral trade.

Statistics from China's customs show that from January to September this year trade between China and the CIS (Commonwealth of Independent States) reached 2.7 billion U.S. dollars, of which the trade volume between China and Russia accounted for 2.4 billion.

In analyzing the features of the growth of bilateral trade, Zhang pointed out that in the past trade was mainly through governmental agreements, but now both governmental agreements and direct contracts between enterprises are becoming important.

Border trade was the predominant form of cooperation in the initial stage but now both border and inland trade are active, he continued.

Besides barter trade, cash transaction and other forms of economic cooperation are now flourishing, Zhang added.

He noted that the changes in economic management systems of both China and Russia are conducive to the development of bilateral trade relations. And the two economies are mutually complementary, which is the basis for the development of bilateral trade.

Professor Lu Nanquan from the Eastern Europe and Central Asia Institute of the Chinese Academy of Social Sciences said at the seminar that though bilateral trade is now still at a low level, potentials are great.

In order to enhance two-way trade, he said, it is necessary to broaden the scope of economic cooperation.

L.A. Anosova, secretary of the Economic Department under the Russian Academy of Sciences, after describing the Russian economic situation and its rich natural resources in the Far East, made some proposals for the development of various forms of economic cooperation.

About 20 papers have been submitted to the 3-day seminar. Chinese and Russian participants have discussed the Asia-Pacific situation and Sino-Russian political and economic relations at the seminar.

Chinese Vice-Foreign Minister Tian Zengpei met with the Russian delegates this afternoon.

Shakhray Named to Russian Security Committee

OW1411133892 Beijing XINHUA in English 1329
GMT 14 Nov 92

[Text] Moscow, November 13 (XINHUA)—Russian President Boris Yeltsin today appointed Sergey Shakhray a member of the State Security Committee, ITAR-TASS reports today.

Shakhray, 36, was appointed deputy prime minister and head of the State Committee for Ethnic Policy only a week ago.

Shakhray, Yeltsin's former legal adviser, has replaced Georgiy Khizha as head of the Provisional Administration in North Ossetia and Ingushetiya.

Russia Denies Plan To Attack Chechen Republic*OW1411135092 Beijing XINHUA in English 1339
GMT 14 Nov 92*

[Text] Moscow, November 13 (XINHUA)—Russian Defense Minister Pavel Grachev today denied the rumor that the Russian Army is planning attacks on the Chechen Republic, dismissing it as "false and groundless."

In a interview with ITAR-TASS, Grachev said, "there is no plan to bomb villages in the Chechen Republic or send tanks there."

Grachev noted that the aim of the Russian troops, which had been sent to North Ossetia and Ingushetiya, is to ensure the implementation of the state of emergency and help the troops of the Interior Ministry to disperse the illegal forces there.

The Russian troops will withdraw from the region once the situation returns to normal, he added.

Meanwhile, Chechen President Dzhokhar Dudayev said today in a statement that if the Russian troops do not withdraw from North Ossetia, the Chechen government "reserves the right to reconsider its relations with North Ossetia and take retaliatory measures."

Dudayev held a closed-door meeting with the Chechen military leadership this morning. Later in the afternoon the Defense Council of the republic held a secret session on the situation in Chechen.

Northeast Asia**Sino-Japanese Kuroshio Investigation Progresses***OW1511140892 Beijing XINHUA in English 1231
GMT 15 Nov 92*

[Text] Qingdao, November 15 (XINHUA)—The research of Kuroshio, commonly known as Japan current, made much progress under the joint scientific cooperation of the Japanese and Chinese Governments.

The Sino-Japanese joint investigation in Kuroshio, started in 1986, came to an end recently. Both sides exchanged their views on marine meteorology, biology, chemistry and physical oceanology at an academic seminar held in Qingdao.

Scientists further understood the regularity of changes of Kuroshio in the East China Sea, including the universal existence of adverse current, the multiple routes of Kuroshio and the obvious water exchange along both sides of the Ryukyu islands, Kuroshio's influence on weather, the distribution of chemical elements near the frontal surface of Kuroshio, the transportation of nutritious salt, the purification function of sea water and the plankton community structure.

During the past seven years, China sent two scientific investigation ships twice a year with many scientists

from institutes attached to national bureau of oceanography to conduct the current investigations.

Jiangsu Marks Anniversary of Sino-Japanese Ties*OW1411034392 Nanjing Jiangsu People's Radio
Network in Mandarin 1015 GMT 7 Nov 92*

[By station reporter Yang Maoxin; from the "News" program]

[Text] A Jiangsu Provincial meeting marking the 20th anniversary of the normalization of Sino-Japanese diplomatic ties was solemnly held in the Great Hall of the People in Nanjing this afternoon.

Nearly 1,000 Japanese friends who had made a special trip to Nanjing to participate in the celebratory activities, together with personalities of various circles in Jiangsu Province and Nanjing City, attended the grand gathering. An emblem for the occasion hung above the rostrum of the conference hall. Seated on the rostrum were Jiangsu provincial leaders Shen Daren, Chen Huanyou, Sun Jiazheng, Han Peixin, Sun Han, Wu Xijun, and Luo Yunlai; President Sun Pinghua of the China-Japan Friendship Association; Vice President Wang Houde of the All-China Federation of Trade Unions; Japanese guests including Osaka Prefectural Governor Kazuo Nakagawa, Osaka Prefectural Assembly Speaker (Joshi Tajima), Fukuoka Prefectural Governor Hachiji Okuda, Fukuoka Prefectural Assembly Speaker Tadao Hiranuma, Vice Chairman Masao Shimizu of the National Headquarters of the Japan-China Friendship Association, Ishikawa Prefectural Vice Governor (Masanori Komoto), Aichi Prefectural Assembly Deputy Speaker Norikazu Ishikawa, Saga Prefectural Assembly Deputy Speaker Seigen Taniyama, Aichi Prefectural Treasurer-General (Masayuki Saji), Osaka Prefectural Treasurer-General (Naotoshi Tsuka), President (Atushi Atsuda) of the Aichi Institute of Technology, Chairman (Hiroaki Yomezawa) of the Confederation of Ishikawa Prefectural Assemblymen, Chairman Shigeru Miyazawa of the Board of Directors of the Saga Prefectural Chapter of the Japan-China Friendship Association, and Chairman (Hiroshi Seigen) of the Ishikawa Prefectural Chapter of the Japan-China Friendship Association; the leaders of various Japanese delegations; and the responsible persons of the relevant departments and mass organizations of Jiangsu Province and Nanjing City.

Jiangsu Provincial Governor Chen Huanyou delivered a speech at the meeting. He said: It is with great pleasure that we gather under the same roof with friends from Japan to jointly celebrate the 20th anniversary of the normalization of Sino-Japanese diplomatic relations. The development of friendly relations between China and Japan in the past 20 years proves that the normalization of Sino-Japanese diplomatic relations is in keeping with the aspirations of the people of the two countries, is in their interests, and has played an important role in promoting peace in the Asian-Pacific region and in the world.

Governor Chen Huanyou said: Jiangsu Province has established stable, long-term, friendly cooperation with scores of Japanese prefectures and cities since China and Japan normalized their diplomatic relations. Friendly contacts at all levels between the two countries have become increasingly frequent; 17 cities in Jiangsu Province have already concluded formal agreements of friendly ties with counterparts in Japan. Economic and technical cooperation has expanded rapidly. Meanwhile, cooperation and exchanges in the spheres of culture, science and technology, education, public health, and sports have enjoyed vigorous development. These achievements are inseparable from the unremitting efforts made by personalities in various circles in Japan who have dedicated themselves to the cause of Sino-Japanese friendship over a protracted period of time.

Governor Chen Huanyou said: The 14th National Party Congress of the CPC held recently decided we should strive to establish a socialist market economy system in our reform endeavor, and clearly defined the strategic policies and tasks for our reform and construction in the 1990's. They will surely play a role in greatly promoting economic development in our province. The new situation has unfolded before our eyes even greater prospects for cooperation and contacts between Jiangsu Province and Japan in all fields of endeavor.

Governor Chen expressed the hope that both China and Japan will take the 20th anniversary of normalization of their diplomatic relations as a new starting point to make persistent efforts, carry forward the cause pioneered by predecessors and forge ahead into the future, and promote friendly cooperation between Jiangsu and Japan to a new level, thereby continuously adding new chapters to the annals.

Vice Chairman Masao Shimizu of the national headquarters of the Japan-China Friendship Association, Delegate (Masayuki Saji) of Aichi Prefecture, and President Sun Pinghua of the China-Japan Friendship Association also spoke at the meeting. The meeting received more than a dozen of cables from Japan offering congratulations. After the meeting, the hosts together with their guests watched brilliant performances staged by the literary and art workers of Jiangsu Province and Nanjing City.

ROK Minister Praises Government's Support

OW1411021092 Beijing XINHUA in English 0137 GMT 14 Nov 92

[Text] Vienna, November 13 (XINHUA)—China's active attitude in supporting Korean conciliation talks was praised here today by South Korea's Foreign Minister, Yi Sang-ok.

Speaking at a press conference after talks with the Austrian Foreign Minister, Alois Mock, he said he was sure that China would continue to play an important role in resolving the Korea problem.

The minister also expressed satisfaction over recent trade developments between South Korea and China, saying it had been "substantially strengthened". The value is expected to reach 10 billion dollars this year, nearly doubling the level in 1991.

Jiang Chunyun Meets ROK's Daewoo Chairman

SK1411072092 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 13 Nov 92

[Text] At noon on 13 November at Jinan Nanjiao Guesthouse, Jiang Chunyun, member of the Political Bureau of the CPC Central Committee and secretary of the Shandong Provincial CPC Committee, and Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province, cordially met with the 12-member orientation and visiting delegation, headed by Mr. Kim U-chung, chairman of Daewoo Group in ROK. Li Chunting, deputy secretary of the provincial party committee and vice governor of the province, and Wang Yuyan, vice governor of the province, also joined the reception.

The delegation of ROK's Daewoo Group arrived in Jinan on the morning of 13 November. The delegation's current visit aims at observing the province's machine-building industrial situation and discussing the matters on expanding economic and trade cooperation with the province.

On behalf of the provincial party committee and the provincial government, Comrade Jiang Chunyun welcomed Mr. Kim U-chung for his leading a group to observe and visit the province. He said: Daewoo Group is the first ROK corporation to come to Shandong Province for cooperation. Over the past several years, the two sides have cooperated with each other in a very good manner, thus providing a foundation for good friendship and successful cooperation.

Jiang Chunyun said: Now we are facing a very good opportunity. The people in Shandong Province are profoundly implementing the guidelines of the 14th CPC National Congress, are further emancipating their minds, and are determined to accelerate the building of the socialist modernization. We believe that in the future, the two sides will have a lot of things to do and will yield even greater results in economic and technological cooperation.

In his speech, Mr. Kim U-chung also expressed his desire to further expand economic and trade cooperation with Shandong.

After winding up its visit to Jinan, the delegation will go to Yantai and Weihai.

Southeast Asia & Pacific**Hainan Secretary, Singapore Guest on Urban Planning**

HK1211143992 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 5 Nov 92

[Text] Deng Hongxun, secretary of the provincial CPC Committee, met with [name indistinct], Singapore planning expert and adviser on Haikou urban planning, and his party in the Haifeng Hall of the Qiongyan Hotel yesterday afternoon. He welcomed the guests and expressed thanks for their coming to Haikou to help with urban planning.

[Name indistinct] and his five companions are experts in urban planning and construction from Singapore. They arrived in Haikou at the invitation of provincial party Secretary Deng Hongxun the day before yesterday.

At the meeting, Deng Hongxun said: Singapore is excellent in its urban planning and construction. You should share with us the advanced urban planning designs and managerial experience of Singapore and other foreign cities.

[Name indistinct], whose place of origin is Hainan, said that he has deep affections for his homeland and has paid five visits to Hainan this year. He promised to improve contacts and exchange with relevant departments and do his best to help with Haikou's urban planning.

Vice Governor Meng Qingping, Haikou Mayor Zeng Haorong, and persons in charge of provincial and city foreign affairs departments, were present at the meeting.

Singaporean Delegation Promoting Tourism

OW1411140492 Beijing XINHUA in English 1359 GMT 14 Nov 92

[Text] Singapore, November 14 (XINHUA)—Visitors from China recorded a 84 percent growth during the first nine months this year compared with the year-earlier period.

The Singapore Tourist Promotion Board (STPB) forecasted today that over 70,000 Chinese visitors are expected by the end of 1992.

Chinese visitors to Singapore in 1991 increased 50 percent than that of 1990, up to 42,000 arrivals.

To promote the tourism cooperation between the two countries, a five-member delegation, led by Leong Chee Whye, chairman of STPB will be leaving here for Beijing tomorrow to sign a protocol in this field.

Leong said today that the signing of the protocol will lay the framework for two-way tourism flow.

West Europe**Vice Premier Zhu Rongji Leaves for Europe**

OW1411032592 Beijing XINHUA in English 0301 GMT 14 Nov 92

[Text] Beijing, November 14 (XINHUA)—Chinese Vice-Premier Zhu Rongji left here by air this morning on an official goodwill visit to Britain, Finland, Denmark, Sweden and Norway at the invitation of the governments of the five European countries.

Accompanying Zhu on the visit are Deputy Secretary-General of the State Council Xu Zhijian, Vice-Foreign Minister Jiang Enzhu, Vice-Minister of the State Planning Commission Yao Zhenyan, and Vice-Minister of Foreign Economic Relations and Trade Wu Yi.

Vice-Premier Zhu was seen off at the airport by Director of the Foreign Affairs Office under the State Council Qi Huaiyuan, Deputy Director of the Economic and Trade Office under the State Council Wang Zhongyu, Deputy Secretary-General of the State Council Wang Shuming and Vice-Foreign Minister Tian Zengpei, as well as diplomatic envoys of the five European countries to China.

Arrives in London

OW1511134892 Beijing XINHUA in English 1312 GMT 15 Nov 92

[Text] London, November 15 (XINHUA)—Chinese Vice-Premier Zhu Rongji arrived in London this morning for a five-day official goodwill visit to the United Kingdom at the invitation of the British Government.

This is Zhu's first visit to Britain since he became a vice-premier of China's State Council.

While in London, Zhu Rongji is expected to meet British Prime Minister John Major and hold talks with Secretary of Trade and Industry Michael Heseltine and Foreign Secretary Douglas Hurd.

He is also expected to tour a number of financial institutions and big firms and have wide-ranging contacts with personages of economic and other circles.

After spending three days in London, he will go to Derby, Edinburgh and Glasgow before leaving for Helsinki, Finland, to continue his European trip.

A number of high-ranking Chinese officials have visited Britain this year, including Foreign Minister Qian Qichen, Vice-Chairman of the National People's Congress Standing Committee Rong Yiren and State Councillor Li Guixian, thus maintaining the momentum of high-level contacts between the two countries.

A Chinese Embassy official said that Vice-Premier Zhu's visit will be conducive to the further development of political as well as economic and trade relations between the two countries.

Delivers Statement at Airport

*OW1511180592 Beijing XINHUA in English 1711
GMT 15 Nov 92*

[Text] London, November 15 (XINHUA)—Chinese Vice-Premier Zhu Rongji expressed the hope here today that his visit to Britain will enhance mutual understanding between Britain and China.

The vice-premier arrived in London this morning for a five-day official goodwill visit to the United Kingdom at the invitation of the U.K. Government.

In a written statement delivered upon his arrival at the Heathrow Airport, Zhu Rongji said he was looking forward to talks with British Secretary of Trade and Industry Michael Heseltine and meetings with Prime Minister John Major and Foreign Secretary Douglas Hurd, "with whom I will have exchanges of views on Sino-British trade and economic cooperation as well as international issues of mutual interest".

He said he will also meet people from British industrial and business circles and brief them on the latest developments in China's economic development and its reform and opening-up and explore with them the possibilities of further cooperation.

"I believe that with the thoughtful arrangement made by my host, my visit will reach its expected goal of enhancing mutual understanding," he said.

Zhu Rongji will stay in London for three days and then will go to visit Derby, Edinburgh and Glasgow before leaving for Helsinki, Finland, to continue his five-nation European trip.

Comments on Meetings

*HK1611071392 Hong Kong TA KUNG PAO in Chinese
16 Nov 92 p 2*

[By staff reporter Huang Nien-szu (7806 1628 2448): "Zhu Rongji Arrived in London To Start Five-Day Visit to Great Britain"]

[Text] London, 15 Nov (TA KUNG PAO)—Chinese Vice Premier Zhu Rongji arrived in London today for a five-day official visit at the invitation of the British Government.

Zhu Rongji and his party arrived at London's Heathrow Airport at 1000 this morning. John Meadway, British under secretary of state for trade and industry; Hankford [han kui fa 3352 7608 4099], deputy under secretary of foreign and commonwealth affairs; and Ma Yuzhen, Chinese ambassador to Britain, met them at the airport.

Vice Premier Zhu Rongji read a written statement at the airport. He said that he was very happy to visit Britain. He is expected to hold talks with Michael Heseltine, British secretary of state for trade and industry, and to meet Prime Minister John Major and Foreign Secretary Douglas Hurd to exchange views on economic and trade

cooperation between China and Britain and international issues of interest to both sides.

He said: "I shall have the opportunity to meet with British industrialists and businessmen, brief them on the latest situation in China's economic development and reform and opening up to the outside world, and discuss the possibility of further cooperation between the two countries. I am convinced that my visit will achieve its anticipated goal of promoting mutual understanding under my host's careful arrangements."

Upon his arrival, Zhu Rongji began his busy schedule of visits. Accompanied by Chinese Ambassador Ma Yuzhen and Hankford, British deputy under secretary for foreign affairs, Zhu Rongji first met Secretary for Trade and Industry Heseltine this morning and attended a banquet given at Heseltine's residence. In the afternoon, Zhu Rongji visited Oxford University and attended a classical music concert in the evening.

Tomorrow morning, Zhu Rongji will visit London's financial district, meet senior personages from the London Stock Exchange, the Bank of England, and other financial institutions in the City. Scott, vice president of the exchange, will host a banquet in the afternoon to welcome Vice Premier Zhu Rongji. In the evening, Zhu Rongji will deliver a speech at the Royal Institute of International Affairs to introduce China's economic situation and reform and opening up. Foreign Secretary Hurd will host Zhu Rongji at his London residence.

On the morning of 17 November, Prime Minister Major and Foreign Secretary Hurd will meet Zhu Rongji separately. Two days later, Zhu Rongji will visit areas outside London, including Edinburgh and Glasgow.

Vice Premier Zhu Rongji's current trip was done at the invitation of the British, Finish, Norwegian, Swedish, and Danish Governments. Britain is the first leg of his current European trip.

Members of the 17-strong Chinese delegation accompanying Zhu Rongji include Xu Zhijian, deputy secretary general of the State Council; Vice Foreign Minister Jiang Enzhu; Yao Zhenyan, vice minister of the State Planning Commission; Wu Yi, vice minister of foreign economic relations and trade; Ma Yuzhen, Chinese ambassador to Britain; Zhang Kezhi, director of the secretariat under the State Council; and Wang Yanyi, deputy director, and Zhou Zizong, counselor at the Department of West European Affairs under the Ministry of Foreign Affairs.

British 'Unilateral Action' 'Unacceptable'

*HK1411055492 Beijing XINHUA Hong Kong Service in
Chinese 1501 GMT 13 Nov 92*

[Text] Hong Kong, 13 Nov (XINHUA)—In the light of a report published in a Hong Kong newspaper that the Hong Kong Government was considering asking the Legislative Council to allocate funds for an airport site

formation contract, this reporter today sought clarification with a representative of the Chinese side to the Sino-British Joint Liaison Group. The Chinese representative asserts: In recent days, senior officials of the British Government of Hong Kong have at various times repeatedly floated the idea of going it alone to build the new airport in disregard of the Memorandum of the Understanding between the Chinese and British Governments on the building of the new airport and other related issues and are preparing to ask the Finance Committee for funds to grant the site formation contract before an agreement is reached by the two sides on the overall financial package. Because of this, the Chinese side has no choice but to point out solemnly: If the British side breaches the spirit of the Memorandum of Understanding by taking unilateral action, the Chinese side maintains that this will be unacceptable and that all consequences arising from that decision will have to be borne by the British side. The Chinese side reiterates that the only solution to the new airport construction issue lies in the comprehensive implementation of the Memorandum of Understanding.

Tenders for the fuel farm and airport cargo handling are being invited now. The Chinese side would also like to point out solemnly: These franchises which straddle 1997 can only be approved after consultations between the Chinese and British sides, otherwise, they will become invalid after 1 July 1997.

Hu Jintao Meets French Communist Party Group

*OW1411135492 Beijing XINHUA in English 1349
GMT 14 Nov 92*

[Text] Beijing, November 14 (XINHUA)—Hu Jintao, standing committee member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met here this afternoon with a delegation from the Communist Party of France, which is led by Francis Wurtz, a member of the Political Bureau of the Party Central Committee.

This is the first time Hu met with foreign dignitaries since he was elected into the party's top decision-making organ last month.

In the meeting, Hu gave an account of China's achievements in the past 14 years, which were made under the guidance of Deng Xiaoping's theory on building socialism with Chinese characteristics. Also, he briefed the guests on the efforts of the whole party and the nation to study and carry out the spirit of the recent 14th National Party Congress.

Though socialism has encountered some temporary setbacks in the world, "we are full of confidence" for the future of China's socialist cause and that of world socialism as well, he said.

Wurtz, also head of the international department of the party central committee, said that the French Communist Party attaches big importance to this visit, as it takes place

shortly after the CPC National Congress, which he said is of a major significance for China's future development.

With its economic and political reforms both developing well, China has successfully and correctly answered the question on its future, a Chinese official quoted Wurtz as saying. China is playing a role of worldwide significance, he said.

After the meeting, Hu hosted a dinner in honor of the French Communist Party officials, who arrived here on November 10 for a goodwill visit as guests of the International Liaison Department of the CPC Central Committee.

Zou Jiahua Meets French Atomic Energy Chairman

*OW1611093992 Beijing XINHUA in English 0843
GMT 16 Nov 92*

[Text] Beijing, November 16 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Jean-Claude Leny, chairman of Framatome, a French company of atomic energy, here this afternoon.

They discussed further cooperation between Framatome and Chinese departments.

In April 1984, Framatome signed with the Chinese side a contract on the construction of two 900,000-kilowatt sets for the nuclear power station in China's Dayawan. Last April, the company signed another contract with China on the technology transfer involving the construction of two 600,000-kilowatt sets for China's Qinshan nuclear power station.

Huang Yicheng, Chinese minister of Energy resources, was present at today's meeting.

Beijing, Lisbon Joint Liaison Group Communique

*OW1411162192 Beijing XINHUA in English 1543
GMT 14 Nov 92*

[Text] Beijing, November 14 (XINHUA)—The China-Portugal Joint Liaison Group issued a press communique here today on its 15th meeting held in Beijing between November 10 to 13.

The communique said the two sides formally affirmed the agreement that the international convention on the civil rights and political rights and the international convention on the economic, social and cultural rights are applicable to Macao.

The two sides reached agreement on the Macao joining in the Asia-Pacific Telecommunication Organization and the Customs Cooperation Council and on the amendments of the Montreal Protocol on the consumption of substance at the ozone layer of the London Conference which is applicable to Macao.

In the communique, the two sides reached agreement in principle on Macao joining the Asia-Pacific Development Center, the Regional Office for the Western Pacific of the World Health Organization and the Asia-Pacific Economic Cooperation meeting.

Also, the two sides further discussed the progress on issues concerning the localization of civil servants, the official status of the Chinese language, and the translation and localization of laws, and exchanged views on other important issues related to Macao's transitional period.

Noting the progress of the building of an International Macao Airport, the two sides assigned representatives of both delegations to get contact on the work of the working group on the air transportation agreement, and considered that the working group should start its work at an early date.

The communique held that the meeting was proceeded in a constructive spirit and cordial and friendly atmosphere.

The 16th meeting of the China-Portugal Joint Liaison Group will be held between March 9 and 12, 1993 in Macao, the communique said in conclusion.

German State Minister on Sino-German Trade

OW1411143192 Beijing XINHUA in English 1427
GMT 14 Nov 92

[Text] Beijing, November 14 (XINHUA)—The State of Rhineland-Palatinate of Germany is willing to further strengthen its economic and trade cooperation with China, in particular the direct contacts between enterprises of the two sides.

This was stated by Rainer Bruderle, vice prime minister and minister of economics and transport of the state of Rhineland-Palatinate of Germany, at a press conference here today.

A visiting delegation he is leading consists of more than 20 representatives of the mid-size enterprises from the state of Rhineland-Palatinate.

Bruderle said that the meetings with leading officials of Chinese relevant departments enhanced their learning about China's economic situation.

Bruderle said he and his party hope that the two sides will further strengthen cooperation in the fields of economy, trade and science and technology.

He said, the two sides should increase contacts between non-governmental organs, in particular direct contacts between enterprises of the two sides, apart from contacts of official departments, so as to promote the economic development of the two sides and facilitate mutual exchange of experience.

Bruderle suggested that the two sides set up an industrial and commercial organization in China so as to facilitate

enterprises of the state to find cooperative partners in China. Such an organization may serve as a supplier of information, he added.

In addition, Bruderle said, he hoped that China will increase import from his state.

Bruderle said China's economic situation is very fine and this is conducive to bilateral cooperation. He also released that leaders of other German states are expected to visit China.

The delegation is going to visit east China's Fujian Province tomorrow, which is the sister-province of the state of Rhineland-Palatinate.

Dutch Trade Minister Meets Minister Li Lanqing

OW1311132292 Beijing XINHUA in English 1258
GMT 13 Nov 92

[Text] Beijing, November 13 (XINHUA)—Chinese Minister of Foreign Economic Relations and Trade Li Lanqing met with a Dutch governmental delegation led by Yvonne Van Rooy, minister of foreign trade, here today.

The delegation arrived here today to start a seven-day visit in China at the invitation of Li Lanqing.

Li praised the efforts made by the Dutch Government on developing economic cooperation with China. He said that Sino-Dutch economic cooperation will be a long-lasting one. The two sides will find many common points in trade and economics.

Van Rooy said that the Dutch Government chose to strengthen trade relations with China after a debate in parliament early this year. Facts show that the cooperation between the two countries has been successful.

Both sides agreed that besides trade, Dutch merchants' investment in China will bring benefits to the two countries.

Apart from Beijing, the delegation will tour Guangdong Province later on.

Interviewed on Economic Cooperation

OW1411094992 Beijing XINHUA in English 0928
GMT 14 Nov 92

[Text] Beijing, November 14 (XINHUA)—Visiting Dutch Minister of Foreign Trade Yvonne Van Rooy has said that the economic co-operation between the Netherlands and China enjoys good prospects.

In an interview with XINHUA last night the minister said that China's current situation will increase the confidence of Dutch enterprises about investment to China.

"We are positive about the outcome of the recent congress (of the Chinese Communist Party) and China's determined approach to continue on the path toward a market economy," Van Rooy said.

"I think that certainly increases confidence and will stimulate Dutch enterprises to be very active in the Chinese market, not only in trade but also when it comes to investment," she said.

She added that "there is no country where we send so many regular trade missions as China", and that the economies of the two countries have "a great amount of complementarity".

Van Rooy, who is visiting China for the fourth time, described the year 1992 as special for the two countries since a series of high-level visits, including that of Chinese Vice-Premier Zou Jiahua to The Netherlands and of Dutch Foreign Minister Hans van den Broek to China, have strengthened bilateral ties.

Her current visit, the minister said, is to further enhance economic relations and, in particular, seek possibilities of progress in bilateral trade.

In view of a number of agreements between the two countries, the minister said, the Dutch Government will do its bit by stimulating dutch companies to invest in China and make efforts to increase exports to China while expanding imports from China.

According to the minister, Chinese Vice-Premier Zou Jiahua and Minister of Foreign Economic Relations and Trade Li Lanqing made similar promises during their meetings with her yesterday.

Van Rooy identified a number of areas still needed to be explored, although the two countries have made progress in the aspect of economic co-operation.

She said The Netherlands' experience in water management could help China improve the conditions of irrigation and the quality of arable land, as well as river drainage so as to reduce the danger of flooding.

In addition, there is great potential for the two countries to co-operate in the areas of shipbuilding, medical equipment and technology, paper-making and packaging, and the ferrous and non-ferrous metals industry.

Shipbuilding and the chemical industry have long been The Netherlands' major areas of foreign trade, and the trade volume of chemical products alone accounts for one-fourth of the country's total foreign trade, Van Rooy noted.

The fact that such a small country as The Netherlands is the seventh-largest exporter worldwide shows that Dutch products are competitive, the minister said.

Van Rooy arrived here November 13 on a week-long visit at the invitation of Li Lanqing. She will later join a group of Dutch entrepreneurs from some 30 companies on a visit to south China's Guangzhou and Shenzhen, where she will continue to discuss possibilities of co-operation with the Chinese side.

Meets Gu Yongjiang

HK1511015892 Beijing CHINA DAILY in English 14 Nov 92 p 2

[By staff reporter Wang Yong: "Dutch Hope To Increase Exports"]

[Text] China is poised to substantially increase its imports from the Netherlands to reverse the trade imbalance between the two countries, a senior Chinese official said yesterday.

Gu Yongjiang, Vice-Minister of Foreign Economic Relations and Trade (Mofert), said the Netherlands has the niche products, including high-tech items, that China needs for economic growth in the years to come.

The products include ships, medical equipment, fertilizer, steel and paper.

Chinese companies are likely to hold talks with their Dutch counterparts on details about the plan, sources said.

In a meeting with Yvonne Van Rooy, the visiting Dutch foreign trade minister yesterday, Gu expressed hopes that the Netherlands could provide new soft credit for its exports.

"And we hope the Netherlands will adopt flexible policies in granting such loans as other European countries do," he said.

Van Rooy is leading a trade delegation including big-name Dutch companies to explore more markets in China.

The Netherlands has complained that it is suffering from a trade deficit with China.

One of the reasons for the Chinese trade surplus is that almost half of China's exports to the country are sent to other European countries.

"The importance of Dutch ports has stimulated the growth of our exports," Mofert officials said.

The delegation will also meet officials from the Ministry of Chemical Industry, the Ministry of Water Conservancy, the Ministry of Communications, the China Petrochemical Corporation (Sinopec) and the Civil Aviation Administration of China (CAAC).

Analysts said the Netherlands is seeking more export and investment opportunities in China as it has stopped the export of its submarines to Taiwan.

China considers any decision to sell arms to Taiwan as an intervention in its internal affairs.

"We appreciate your efforts (to stop the sales) very much," Gu said.

Analysts said many Dutch companies, like Shell, Akzo, IHC and Word House Software, are gearing up their presence in China.

Recently, the People's Bank of China has approved in principle the opening of a branch of a Dutch ABN-AMRO Bank in Shanghai.

About 30 Dutch companies will accompany Van Rooy to Guangdong Province to seek out opportunities in such areas as machine building, consultancy, ship building and finance.

Van Rooy will also visit Hong Kong where the two sides are expected to sign an agreement on mutual investment protection.

Latin America & Caribbean

Chilean President Visits, Meets Officials

Holds Meeting With Yang Shangkun

OW1311144492 Beijing XINHUA Domestic Service in Chinese 1302 GMT 13 Nov 92

[By reporters Feng Xiuju (7458 4423 5468) and Lu Jing (4151 0513)]

[Text] Beijing, 13 Nov (XINHUA)—President Yang Shangkun had a meeting at the Great Hall of the People this afternoon with Patricio Aylwin Azocar, Chile's first president visiting China.

On behalf of the Chinese Government and people, Yang Shangkun extended warm welcome to President Aylwin and other Chilean friends. He said that Aylwin is the first Chilean president to visit China and the visit is "an important event in the history of Sino-Chilean friendship."

After fondly recalling his visit to Chile in 1990, Yang Shangkun said that the exchange of visits by senior Chinese and Chilean leaders have deepened the understanding and friendship between the peoples of the two countries and powerfully promoted the development of the two countries' friendly relations and cooperation. Yang Shangkun wished President Aylwin success in visiting China.

On behalf of the Chilean Government and people, President Aylwin thanked China for its warm welcome and hospitality. He said that he was full of confidence that the visit can promote the development of the two countries' relations. He added that, although Chile and China differ greatly in size and population, the two countries have many things in common and are linked up by favorable conditions. He said Chile hopes to develop even closer relationship with China.

The meeting proceeded in a cordial and friendly atmosphere.

Present at the meeting were Chilean Foreign Affairs Minister Enrique Silv, Minister of Economy Jorge Marshall, and Minister of Mining Alejandro Arias.

Present on the Chinese side were Wang Hanbin, vice chairman of the National People's Congress Standing Committee; Qian Qichen, state councillor and minister of foreign affairs; Ding Shisun, vice chairman of the China Democratic League Central Committee; and Zhu Xun, head of the Chinese Government Reception Group and minister of geology and mineral resources.

Yang Shangkun hosted a banquet at the Great Hall of the People in the evening in honor of President Aylwin and his party.

President Aylwin, who is in China on a five-day visit at the invitation of President Yang Shangkun, arrived in Beijing by special plane this afternoon. President Yang Shangkun officiated at a ceremony at the central hall of the Great Hall of the People to warmly welcome President Aylwin, Madame Aylwin, and their party.

Discusses Bilateral Relations

OW1411065492 Beijing XINHUA in English 0626 GMT 14 Nov 92

[Text] Beijing, November 14 (XINHUA)—Chinese President Yang Shangkun and visiting Chilean President Patricio Aylwin Azocar held talks here this morning.

Official sources said that during the talks the two leaders exchanged views on bilateral relations in a friendly atmosphere.

Yang said Chile was the first South American country to establish diplomatic relations with China, and bilateral relations have been smoothly developed in the 22 years since then.

Especially in recent years, he said, the exchanges and co-operation between the two countries in every field have been ever expanded. Chile has become one of the important co-operation partners for China in South America.

Yang said the Chinese Government attaches great importance to developing its friendly relations and co-operation with Chile.

"China is willing to make efforts together with the Chilean Government to push bilateral relations to a new level and further expand bilateral friendly co-operation and contacts in the fields of politics, economy and trade as well as culture," he added.

Yang noted that due to their common efforts, the volume of trade between the two countries has increased rapidly over the past few years.

There still exists great potential in this regard because the products of the two countries are mutually complementary, he said.

Yang expressed his hope that the two sides would continue their efforts to steadily promote the growth of bilateral trade.

Aylwin described Yang's visit to Chile in 1990 as a milestone in the history of bilateral relations.

Chilean-Chinese relations in political, economic and cultural fields have been further developed since Yang's visit, Aylwin said, adding that there are many things still to be done.

He told Yang that Chile is extremely interested in the reform and open policies China is implementing, saying that these policies will offer opportunities for more co-operation and exchanges between Chile and China.

Aylwin noted that the economic development and the changes which have taken place in the Asia-Pacific region have become a focus of world attention. He said Chile is ready to develop friendly relations and co-operation with all Asia-Pacific countries including China.

The two leaders exchanged views on concrete issues concerning the deepening of bilateral co-operation in economy and trade, culture and other areas, as well as on international issues of common concern.

Urges Economic Cooperation

OW1411092692 Beijing XINHUA in English 0913 GMT 14 Nov 92

[Text] Beijing, November 14 (XINHUA)—Visiting Chilean President Patricio Aylwin Azocar said here today business people from both China and Chile should strengthen cooperation with each other to promote the development of bilateral economic and trade relations.

Speaking to a seminar on Sino-Chilean economic cooperation held here today, the Chilean president said he hoped that the seminar would be a new turn in Chilean-Chinese economic and trade relations, providing more opportunities for bilateral cooperation on a mutually beneficial basis.

More than 40 senior Chilean business leaders, who are with the president during the current visit, participated in the seminar, held in the capital mansion, headquarters of the China International Trust and Investment Corporation (CITIC).

Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress, China's parliament, also attended the seminar.

There still exist great potential in developing economic and trade relations between China and Chile, both developing countries in the trans-Pacific region, said Rong, who is also CITIC's chairman of the board.

There are broad prospects for Sino-Chilean economic cooperation, Rong said, and as a major window for China's opening to the outside world and a transnational

corporation engaged in comprehensive businesses, the CITIC is willing to make greater efforts, along with its partners in Chile, in promoting the bilateral cooperation in economy and trade.

Among the participants were over 100 Chinese business leaders from the CITIC, ministries of construction, agriculture and forestry and other government departments as well as economic organs.

Meets Wan Li

OW1411111992 Beijing XINHUA in English 1102 GMT 14 Nov 92

[Text] Beijing, November 14 (XINHUA)—Wan Li, chairman of China's National People's Congress (NPC) Standing Committee, met with visiting Chilean President Patricio Aylwin Azocar and his party here this afternoon.

Wan, on behalf of the NPC, extended a welcome to Aylwin, who is the first Chilean president visiting China.

The NPC and the Chilean Congress resumed contact last year, and Sino-Chilean friendly groups within the two congresses were established this year. "These steps are important for the development of bilateral relations," Wan said.

Noting that the four congressmen accompanying President Aylwin on the visit are highly representative as they come from the four major Chilean political parties, Wan said that "the NPC is willing, together with its Chilean counterpart, to promote the friendship and cooperation between the two parliaments and the two peoples."

The NPC leader noted that his organization maintains close contacts and good relations with the parliaments of Latin American countries. "We wish to see the growth of these relations," Wan stressed.

President Aylwin said that his country always attaches importance to the relations among the parliaments of various countries. When he goes abroad, Aylwin continued, he is always accompanied by a number of congressmen and meets with foreign parliament leaders.

Holds Talks With Jiang Zemin

OW1411131792 Beijing XINHUA in English 1305 GMT 14 Nov 92

[Text] Beijing, November 14 (XINHUA)—A senior leader of the Chinese Communist Party (CPC) said here today that China is willing to establish and develop friendly relations with all countries in Latin America.

Jiang Zemin, general secretary of the CPC Central Committee, made the statement during his meeting with Chilean President Patricio Aylwin Azocar.

Latin America is a continent which is of potential and full of hope, Jiang said, adding that "China is willing to

establish and develop friendly relations with all countries in Latin America on the basis of the five principles of peaceful co-existence".

On bilateral relations, Jiang said that China and Chile, which share many common points and have no conflicts of fundamental interests, both have the desire of further developing friendly cooperation.

He expressed the belief that bilateral ties will continue to grow through joint efforts of the two sides.

Aylwin said the talks between Chilean and Chinese leaders during his visit have been constructive.

The two countries share views on a wide scope in international politics, and the two sides have expressed the willingness for cooperation in the fields of common interests, the president said.

He said that the development of cooperation between the two countries in various fields is of great importance.

The president expressed the belief that his visit will help enhance the friendly relations between the two countries and the two peoples.

The two leaders also exchanged views on international issues of common concern. In addition, Jiang briefed the visitors on the recent 14th CPC National Congress and on China's reform and opening policy.

Those who were present at the meeting included Qian Qichen, Chinese state councillor and foreign minister, Ding Shisun, vice-chairman of the Central Committee of the China Democratic League, and Zhu Xun, chairman of the Chinese Government Reception Committee and minister for geology and mineral resources.

Says Visit Promotes Understanding

OW1411134792 Beijing XINHUA in English 1338
GMT 14 Nov 92

[Text] Beijing, November 14 (XINHUA)—Visiting Chilean President Patricio Aylwin Azocar said here today his current China visit is aimed at strengthening political and cultural ties between the two countries and exploring possibilities for bilateral economic cooperation.

He said this during a meeting with a group of Chinese and foreign journalists at the state guesthouse this afternoon.

Aylwin said although Chile and China differ in size, population, language, culture and political system, there are many favorable conditions linking them together.

Politically, he said, the two countries are peace-loving, respect the principles of equality and non-interference in each other's internal affairs and stand for people's self-determination. Economically, he added, both are developing countries.

He said that Chile and China can possibly develop economic cooperation in the fields of trade, investment and science and technology.

Aylwin said he is the first Chilean president to visit China not only over the past 22 years since the two countries established diplomatic relations but also in the history of his country.

His visit, like Chinese President Yang Shangkun's visit to Chile in 1990, shows that the two countries enjoy good and cooperative relations, he said.

The president said that Chile supports China's efforts to resume its status in the GATT and takes a positive attitude toward China's desire to join the Pan-American Development Bank.

Meanwhile, he said, China supports Chile's desire to attend the Asian-Pacific Economic Cooperation Conference.

When asked to comment on the results of his China visit, Aylwin said apart from promoting mutual understanding and friendship between the governments and entrepreneurs of the two countries, he is looking forward to signing a number of agreements. Preparations will be made for the signing of an agreement on the protection of investment, he added.

Meets With Economic Scholars

OW1411161892 Beijing XINHUA in English 1523
GMT 14 Nov 92

[Text] Beijing, November 14 (XINHUA)—Patricio Aylwin Azocar, visiting Chilean president, said here today that the great economic achievements in the Asia-Pacific region will be of great significance and China's vast potential constitutes an impetus to the development of the region.

The president made the remarks during a meeting with Chinese scholars of the China National Committee for Pacific Economic Cooperation and experts and scholars engaged in the studies on Latin American affairs.

During the 1980s, the president said, the Asia-Pacific region enjoyed the fastest economic growth in the world.

Aylwin said that Chile is now continuing to open its economy to the external market, he believed that the best choice for his country is to develop foreign trade.

The president said that the Asia-Pacific region has become a vigorous trading partner of Chile. In the past two years, he said, the market of China, South Korea and ASEAN (Association of Southeast Asian Nations) has become increasingly important to the Chilean trade.

"We have noted with interest that it is possible to set up companies by utilizing funds from Asian countries," the president said. "These companies will be able to fully tap the potential of the Asian and Latin American markets."

He said, he is happy about the fact that Chile has become a country in which China has invested.

Talks to Li Peng via Phone

*OW1411163392 Beijing XINHUA in English 1612
GMT 14 Nov 92*

[Text] Beijing, November 14 (XINHUA)—Chinese Premier Li Peng said today that the current China visit by Chilean President Patricio Aylwin Azocar will be of great significance.

Li, who is on an inspection tour outside Beijing, made the statement when he telephoned President Aylwin, according to the Chinese Foreign Ministry.

The premier expressed his belief that Aylwin's visit will help to strengthen the mutual understanding and friendship between the people of China and Chile and to promote the development of bilateral relations.

Aylwin expressed the same belief that his visit will further promote the cooperation and friendship between the two countries.

Tours Beijing 15 Nov

*OW1511085892 Beijing XINHUA in English 0837
GMT 15 Nov 92*

[Text] Beijing, November 15 (XINHUA)—Chilean President Patricio Aylwin Azocar and his wife and their party visited the 560-year-old palace museum and the Yonghe Lamasery built during the Qing Dynasty (1644-1911) here this morning.

This afternoon Aylwin and his party toured the Tian Tan (Temple of Heaven) park.

Chinese Minister Zhu Xun of geology and mineral resources and his wife accompanied the president on the visit.

Yang Shangkun on 'Success' of Visit

*OW1611033592 Beijing XINHUA in English 0306
GMT 16 Nov 92*

[Text] Beijing, November 16 (XINHUA)—Chinese President Yang Shangkun said here today that the visit of his Chilean counterpart, Patricio Aylwin Azocar, in this country has been a complete success.

Yang made the remark this morning when he said good-bye to President Aylwin and his wife at the Diaoyutai state guesthouse.

Yang said that the meetings and talks between Chinese and Chilean leaders and officials have promoted mutual understanding and bilateral relations.

President Aylwin expressed the belief that his visit, which is the first of a Chilean head of state to China, will strengthen friendship and cooperation between the two countries.

He described the Chilean-Chinese cooperation as being "full of hope".

Earlier today, Aylwin and Yang attended the signing ceremony of two documents between the two countries: The Memorandum of Understanding Between the Two Governments on the Signing of the Consular Treaty Between the Two Countries, and the Memorandum of Understanding between the Chinese Ministry of Geology and Mineral Resources and the Chilean Ministry of Mines on Geoscience Cooperation.

Later Aylwin and his party left here for a tour of south China's Shenzhen.

Uruguayan Vice President's Visit Postponed

*OW1511015092 Beijing XINHUA in English 0124
GMT 15 Nov 92*

[Text] Beijing, November 15 (XINHUA)—The scheduled official visit to China by Gonzalo Aguirre Ramirez, vice-president of the Oriental Republic of Uruguay, from November 17 to 23, has been postponed at Uruguay's request, official sources said here today.

Political & Social

Wife of 'Dissident' Ren Wanding Stages Protest

HK1611105492 Hong Kong AFP in English 1029 GMT
16 Nov 92

[Text] Beijing, Nov 16 (AFP)—The homeless wife of a prominent jailed Chinese dissident launched a protest at a police station here Monday, threatening to camp outside until she was given adequate housing.

Zhang Fengying, the wife of veteran human rights activist Ren Wanding, and her 15-year-old daughter dumped all of their possessions in front of the police station in charge of monitoring dissidents.

"Tomorrow, the day after, the two of us will stay here until they arrange our housing," said Zhang, 44, surrounded by a dozen suitcases and bags and even a wash basin filled with apples. "We have no home to go back to."

Ren's employer, the Beijing City Equipment Installation Co., fired him after the 1989 pro-democracy movement and evicted his wife and daughter in April.

An eviction in China is far more serious than in the West, since most housing is assigned by employers and little rental housing is available. It is also artificially cheap because of state subsidies.

The two have been forced to move five times since May, when the police provided temporary housing on a farm outside Beijing, and Zhang said she did not expect a resolution Monday.

Friends and family have been providing places to stay and financial support. Zhang used to work for another jailed dissident and is now unemployed while her daughter has been unable to attend school for more than one year.

The police have offered to put Zhang and her daughter up in a nine square meter (100 square foot) room for 90 yuan a month, but she has rejected the offer arguing that her husband's employer still has a responsibility to them.

"I have no income. There's no way I can afford that," she said. "We've talked with the police about this countless times but they still haven't found a solution. I think it's because they don't want a solution."

Ren is serving a seven-year term for his role in the 1989 movement and was also jailed from 1979 to 1983 for openly advocating political reform.

The 48-year-old dissident is suffering from a host of illnesses in Beijing Prison No. 2, his wife said, including cataracts. She said medical treatment was insufficient and Ren was losing sight in his left eye.

Ren was also denied access to fresh air and he and his three cellmates lived in poor lighting, she said, although he was allowed to read and write.

Reportedly Disappears

HK1611140792 Hong Kong AFP in English 1305 GMT
16 Nov 92

[Excerpt] Beijing, Nov 16 (AFP)—The homeless wife of a prominent jailed Chinese dissident disappeared Monday within hours of launching a protest outside a police station here.

Zhang Fengying, the wife of veteran human rights activist Ren Wanding, and her 15-year-old daughter had dumped all their possessions in front of the police station in charge of monitoring dissidents in the afternoon.

But by mid-evening, both Zhang, 44, and her daughter had disappeared. Friends of hers said they did not know what had happened to the pair.

Earlier, Zhang had threatened to camp outside the police station until she was given adequate housing. [passage omitted]

'Dissident Leader' Plans To Leave for U.S.

OW1411121292 Tokyo KYODO in English 1148 GMT
14 Nov 92

[Text] Beijing, Nov. 14 KYODO—Chinese dissident leader Zhou Duo said Saturday [14 November] he will fly to the United States on December 1 to take up a long-standing offer to be a guest scholar at Harvard University. Zhou, 45, told KYODO NEWS SERVICE he intends to use his year-long scholarship to research the prospect of China achieving a peaceful transition to full-blown democracy.

Zhou sprung to prominence on June 2, 1989, when he joined three other Chinese intellectuals on a short-lived hunger strike in Beijing's Tiananmen Square. Two days later, Chinese troops crushed the student-led democracy movement and Zhou found himself in prison, but he continued to press for political reforms after his release in May 1990.

Zhou says his decision to accept the Harvard offer is a reflection of the bleak situation he currently faces in China.

"It is difficult for me to work properly here because I have no access to libraries and research materials," he said.

Although Harvard made its initial offer in November 1991, Zhou was not issued a Chinese passport until April this year. In recent months, China has relaxed restrictions on democracy activists who are known in the West in an overt attempt to improve relations with the U.S. Veteran dissident writer Wang Ruowang and labor activist Han Dongfang were both permitted to leave for the U.S. in August.

Zhou, a former lecturer at Beijing University, said that once abroad he intends to make contact with prominent

Chinese dissident exiles including Yan Jiaqi, a leading spokesman for the Paris-based Federation for a Democratic China.

'Dissident' Bao Zunxin Hospitalized

HK1611090492 Hong Kong MING PAO in Chinese 16 Nov 92 p 8

[Report: "Dissident Bao Zunxin Hospitalized Again for Heart Disease and Hypertension"]

[Text] According to a Beijing source, famous intellectual Bao Zunxin, who was imprisoned after the 1989 pro-democracy movement, was admitted to the reform-through-labor hospital again last month due to heart disease and hypertension. His family had repeatedly requested that he be allowed to receive treatment outside the prison camp, but the request was rejected.

The source said that earlier this year Bao Zunxin was rushed to the hospital for treatment because he was spitting up a lot of blood. He has a poor physique. During his imprisonment he has contracted heart disease and hypertension. His family insistently requested last year that he be allowed to receive medical treatment outside the prison, but the Beijing hierarchy rejected the request.

Bao Zunxin, 55, was formerly an associate research fellow of the Chinese Academy of Social Sciences. Together with other intellectuals, he took part in a signature campaign and organized a federation for intellectuals during the 1989 pro-democracy movement. He was then arrested and sentenced to five years imprisonment in January of last year. He has to be confined in prison for another 20 months before being released in 1994.

It is reported that the food provided by the prison is rather poor. The boarding fee for each prisoner per month, which has been readjusted upward due to rapid price increases in Beijing, is 30 yuan. The medical allowance for each prisoner is also 30 yuan, and their families are held responsible for medical expenses of more than 30 yuan. When Bao Zunxin was discharged from the hospital last time, his medical costs amounted to 2,000 yuan. The prison authorities gave him an advance for making the payment because his wife did not have so much money. Since Bao Zunxin's arrest, his family has been supported by his wife, who earns 100 yuan a month. Fortunately, his daughter now has a job. His son is a form two student.

Jiang Zemin, Li Peng Inscribe Hubei Hall

OW1611094592 Beijing XINHUA Domestic Service in Chinese 1105 GMT 13 Nov 92

[By reporter Fang Zhengjun (2455 2398 6511) and correspondent Xin Xiangdong (6580 0686 2639)]

[Excerpt] Beijing, 13 Nov (XINHUA)—This morning, the Hubei CPC Committee and provincial government held a meeting to commemorate the Huangma Uprising's 65th anniversary at a nationally renowned, old revolutionary base—Honggan County, Hubei Province. They also held a ceremony to mark the completion of the "Memorial Hall for the Revolutionary Martyrs of the Huangma Uprising and From the Area Covering Hubei, Henan, Anhui, and Jiangsu Provinces."

Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, wrote an inscription for the memorial hall: "The spirit of the revolutionary martyrs of the Huangma Uprising and from the area covering Hubei, Henan, Anhui, and Jiangsu provinces will be cherished throughout the ages." Li Peng, member of the Standing Committee of the CPC Central Committee Political Bureau and premier of the State Council, wrote the following inscription: "The spirit of the revolutionary martyrs of the Huangma Uprising and from the area covering Hubei, Henan, Anhui, and Jiangsu Provinces will last as long as the mountains and rivers."

Before his death, President Li Xiannian wrote the following inscription: "The names of the revolutionary martyrs of the Huangma Uprising and from the area covering Hubei, Henan, Anhui, and Jiangsu Provinces will be crowned with eternal glory and be radiant for centuries." Prior to his death, Marshal Xu Xiangqian wrote the name of the memorial hall. [passage omitted]

Mark Rocket Institute Anniversary

OW1411164992 Beijing XINHUA in English 1640 GMT 14 Nov 92

[Text] Beijing, November 14 (XINHUA)—Chinese leaders Jiang Zemin and Li Peng wrote inscriptions to encourage scientific workers of the China Carrier Rocket Technological Institute to contribute more to China's space technology.

Jiang, general secretary of the Central Committee of the Communist Party of China, and Premier Li expressed congratulations to the China Carrier Rocket Technology Research Institute on its 35th anniversary.

The institute, famous for its contributions made in the successful launching of the Asia satellite (Asiasat), the Australia communications satellite and the Swedish satellite, has developed various kinds of missiles and rocket carriers since its establishment.

The long distance rocket which was successfully launched to the South Pacific Ocean on May 18, 1980 indicated that China's large sized liquid rocket technology had caught up with the advanced world level.

Up till now, the scientific workers of the institute have developed the Long March-1, the Long March-2, the Long March-3 and the Long March 2-E carrier rockets. 25 satellites have been launched by those carrier rockets. The launching of the terrestrial orbit satellite, the using

of fuels of low temperature but great energy and the engine's second ignition in the upper air indicate that China has become one of the advanced countries in space technology.

The successful launching of the four foreign-made satellites has enabled China to compete in the world's rocket market.

At present, the institute brings into play its advanced technology and productive force to participate in the country's economic reform. Its products for civil use range from mechanics, electronics, petro-chemicals, textile and medicine to transportation.

Yang Shangkun Writes for Sun Yat-sen Center

OW1511144992 Beijing XINHUA Domestic Service in Chinese 1506 GMT 12 Nov 92

[By reporter trainees Fang Dalang (2455 6671 3186) and Wei Yinghong (7279 6601 4767)]

[Excerpts] Beijing, 12 Nov (XINHUA)—Today marks the 126th birth anniversary of Mr. Sun Yat-sen. The Dr. Sun Yat-sen Foundation held a simulated foundation laying ceremony for "Sun Yat-sen International Academic Center" and a meeting to award the mainland's outstanding literatures and academic research works on Sun Yat-sen from 1949 to 1992 in Guangzhou today. [passage omitted]

It was learned that the Dr. Sun Yat-sen Foundation will build a "Sun Yat-sen International Academic Center" in Guangzhou's Tianhe District. The center will cover an area of more than 1,500 square meters, including an exhibition hall, a research building, an archives, and an international conference center. President Yang Shangkun has written the name for the center.

Inscribes Book on 'Yanan Spirit'

OW1611030892 Beijing Central People's Radio Network in Mandarin 2230 GMT 12 Nov 92

[From "News and Press Review" program]

[Text] The Chinese version of *Yanan Spirit*, a famous book by American (John Gaulin), an old and well-known friend of the Chinese people, was recently published by the Huayi Publishing Company. President Yang Shangkun wrote an inscription for it.

Yuan Mu Lauds 14th CPC Congress Guidelines

OW1411062592 Shanghai JIEFANG RIBAO in Chinese 2 Nov 92 p 1

[Article by Yuan Mu: "The Historic Achievement and Basic Spirit of the 14th National Party Congress"]

[Text] The 14th CPC National Congress marked another milestone in the history of our party and the People's

Republic. Correctly recognizing its historical achievements and thoroughly understanding its basic guidelines are a matter of primary importance in studying the congress' documents. In my view, the most important achievements and basic guidelines are as follows:

—The 14th CPC National Congress is another party congress which has served as a link between the past and future, carried the past tradition forward while making new advances, and turned a new chapter in the history of socialist construction. In our party's history, the first generation of central collective leadership, with Comrade Mao Zedong as the core, led the comrades of the whole party and people of all nationalities in the protracted, arduous struggle to successfully employ the basic principles of Marxism in China, to find the correct road of carrying out new democratic revolution and socialist transformation with Chinese characteristics, to establish the PRC and the basic system of socialism with blood and sacrifice, and to liberate and develop the social productive forces. This is the greatest revolution that has ever happened in China, and it opened a new era in Chinese history. The second generation of the central collective leadership, with Comrade Deng Xiaoping as the core, has upheld and developed Marxism-Leninism-Mao Zedong Thought, found the correct road of building socialism with Chinese characteristics, and led the party and people in another great revolution. This revolution is to further emancipate and develop productive forces, and turn China from an underdeveloped socialist country into a prosperous, strong, democratic, civilized, and modern socialist country. The third generation of central collective leadership, with Comrade Jiang Zemin as the core, is determined to carry forward the great cause initiated by the first generation of the central collective leadership; and to continue to advance the great cause of building socialism with Chinese characteristics pioneered by the second generation of the central collective leadership. The political report of the 14th CPC Congress is a political manifesto and programmatic document expressing this firm stand and sense of historical responsibility. The newly-elected central leading body, which has a large number of young, capable people, those with new blood who possess the spirit of reform and innovation, has strengthened the leadership position of the third generation of the central collective leadership. This has maintained stability and continuity, and provided an organizational guarantee for the attainment of the magnificent goal of carrying forward the great cause.

—The 14th CPC Congress made a new summing up of the theory of building socialism with Chinese characteristics and has demonstrated that our party has entered a more mature and self-aware stage in understanding this theory. During the past century and more since the birth of Marxism, the victories of the Russian October Revolution, the Chinese Revolution, and revolutions in other countries have shown that under the leadership of the proletariat the people can

indeed seize political power. Important achievements have been scored and valuable experience has been learned about how to build socialism. Nevertheless, the question still needs further exploration. The disintegration of the Soviet Union and the change in Eastern Europe call for profound study. During these 14 years, as our party led the people in the great practice of carrying out reform, opening up, and the modernization, it has insisted on integrating the basic tenets of Marxism with China's reality, and has gradually formed and developed the theory of building socialism with Chinese characteristics. The party has, for the first time, given preliminary but systematic answers to a series of basic questions on how to build socialism in a country with a backward economy and culture like China. The new situation created and new achievements obtained by socialism in China are ample evidence proving that the theory is suitable for our country, and it accords with the interests and demands of the overwhelming majority of the people. The 14th CPC Congress report made a new theoretical conclusion on socialism from the following nine points: The road to socialism, the development of socialism in stages, the fundamental task of socialism, the motive force of socialist development, external conditions for socialist construction, the political guarantee for socialist construction, the strategic plan for socialist construction, the leading forces and the forces to be relied on in building socialism, and the strategic concept for reunification of the motherland. This conclusion is more systematic and comprehensive, higher, and stronger theoretically. It fully shows that our party has reached a higher stage in its rational knowledge of building socialism, and a new theoretical height. If we study hard, understand profoundly, and correctly grasp this theory, and if we apply it to guide all our work, socialist reform, opening up, and modernization will be able to advance continually, and our country will enjoy long-term prosperity and stability.

—The 14th CPC Congress again seriously declared that the party's basic line will be unswervingly followed for 100 years. It also specifically pointed out that it is extremely important and critical to uphold this line. The party's basic line has been formed under the guidance of the theory of building socialism with Chinese characteristics. The line itself is part of this theory; it also embodies the theory in a nutshell. "One central task, two basic points" is the succinct summarization of the party's line. The 14th CPC Congress report pointed out: "The experiences drawn from practice over the past 14 years can be summed up in one sentence: We must firmly adhere to the party's basic line guided by the theory of building socialism with Chinese characteristics. This is the best way to ensure that we shall stand the test of the dangers we may face on the way to our goal." This important statement reflects the party's deeper understanding of the importance of the party's line; it also shows the party's resolution and confidence in guiding people to uphold the basic line. To adhere to the basic line, we

must, first and foremost, preserve economic development as our central task. This is the only central task for the whole party and people. We cannot have two central tasks, let alone more. Only when we seize economic development as our central task can we seize the entire key link of socialism. To judge whether a work is good or bad basically depends on its potential for developing productive forces, increasing comprehensive national strength, and raising people's living standards. To adhere to the party's basic line, we must integrate reform and the open policy with the four cardinal principles. These two points are in dialectical unity; they cannot exist without each other. "Leftist" tendencies are manifested chiefly in doubting and denying the correctness of the reform and open policy; rightist tendencies are manifested chiefly in negating the four cardinal principles. "Leftist" ideas have deep roots in the history of our party. Most of the mistakes that were made were "leftist" in nature. Therefore, during the course of socialist reform, opening up, and modernization, we must guard against rightist tendencies but also, and mainly, against "leftist" tendencies. To adhere to the party's basic line, we must also constantly consolidate political unity and stability, and resolutely maintain political and social stability. Without political and social stability, any attempt to carry out reform and to promote economic development would be out of the question. Only as long as the basic line remains unchanged will our country's reform, opening up, and modernization be sure of success.

—The 14th party congress has fully expounded the major significance and ways for expediting economic development, and it charted the course for China to reach a new stage of national economic development. One basic requirement for building socialism with Chinese characteristics is to develop the national economy at a speed faster than that achieved by capitalist countries. Since the adoption of the reform and open policy 14 years ago, the speed of China's economic development has been faster than the average speed achieved by capitalist countries and the world. But since the original gap between China's economic development and developed capitalist countries was wide, and since the development of China's neighboring countries and regions has also picked up speed, China must develop even faster before the gap can be reduced between China and developed countries of the West, as well as between China and its neighboring countries and regions which enjoy fast economic development, and before socialist China can really establish its footing in the world. In the past, China expected an annual GNP growth of 6 percent for the 1990's, and now the 14th party congress, after correctly analyzing the domestic situation and the world environment as well as the new requirements for China's development, has stated that China should strive to achieve even faster growth, maintaining that a growth of 8-9 percent is totally feasible. This is an encouraging decision. Inspired by this decision,

people of all nationalities in the country have emancipated their minds and are fighting in unity. China certainly is fully capable of improving its overall economic efficiency and pushing its comprehensive national strength to a new level, and we Chinese people will certainly be able to enjoy a comparatively comfortable life after having had our basic food and clothing problems resolved during the 1990's.

- The 14th party congress has clearly pointed out that the establishment of a socialist market economy is China's objective in restructuring its economic system. This is an objective need for further liberating and developing productive forces and achieving China's modernization. The fact that this major decision was presented at the 14th party congress has great immediate and far-reaching significance, showing that China's reform has been developing in deed and deepening in people's minds over the past 14 years. Theoretically speaking, this decision has smashed the outmoded way of distinguishing socialist and capitalist social systems by means of their economic systems—planned or market-regulated—and it clearly stated that a market economy should be fully developed under socialist conditions. This has enriched and developed the socialist economics of Marxism. Ideologically, this decision has freed people from the mental bondage of whether economic planning and market regulation is "socialist" or "capitalist" in nature, and it has removed a major obstacle which prevented people from understanding the issue. In practice, we have found a way which is in line with sizable socialized production and the modern law of economic operations, a way through which resources can be allotted more effectively, and a way by which we can act with greater daring in doing away with drawbacks of our highly centralized and ossified system of planned economy, and in assimilating and emulating advanced operating modes and management reflecting the laws of modern socialized production so that we can continue to liberate and develop productive forces in Chinese society. It is important for China to achieve its second- and third-step strategic objectives in its national economic development and even socialist modernization in all sectors.

- The 14th party congress has set the policy of opening areas along the coast, along borders, and along rivers as well as interior provinces and cities to the outside world at all levels, through all channels, and in all directions, thus formulating the new strategy for opening China wider to the outside world. To expedite China's economic development, deepen reform, and establish a socialist market economy, we must continue to open our door to the world in all directions so that we achieve even bigger successes in utilizing foreign capital, resources, technology, and managerial expertise. In a certain sense, our special economic zones, economic open zones, open belts and open cities are an experiment in localized, all-directional opening endeavors. This experiment has been a success. The successes achieved by Shenzhen, Zhuhai,

Shantou, Xiamen, and Hainan special economic zones in their construction and the fast economic growth achieved in coastal areas in southeast China have shocked the whole world. Now, on the basis of the successes we have achieved in reform, opening up, and economic construction over the past 14 years, we should take full advantage of favorable situations and opportunities at home and abroad to broaden the localized all-directional openness to all parts of the country so that a pattern of opening to the outside world at all levels, through all channels, and in all directions can take shape in all parts of the country.

Using the opening up of coastal areas, areas along national borders and Chang Jiang as a base and combining this with the opening up at various levels and through various channels of inner provinces and regions—this is the general idea of the country's overall opening up set forth by the 14th CPC National Congress. The establishment and implementation of this idea will have a very positive effect on the country's economic development, on enhancing its position in international competition, and on boosting the economic development in the Asian-Pacific region as well as in the whole world.

- The 14th CPC National Congress put forward specific tasks and demands in taking corresponding measures to reform the political system and other systems, as well as in promoting spiritual civilization, and laid down overall planning based on economic construction for achieving progress in all social sectors. The report of the congress points out: "To be in line with reform of the economic system and with economic development, we must actively work to reform the political system following the principle of closely integrating democratization with the promotion of ruling by law." The objective of reforming China's political system is to build socialist democracy with Chinese characteristics, and is by no means to establish a Western-style multiparty and parliamentary system. The essential requirement and the inherent attribute of socialist democracy is people's democracy; we must continue to promote socialist democracy and work to refine the socialist legal system. The people's congress system and the multiparty cooperation and political consultation system led by the CPC are the two basic systems, as well as the feature and merit, of China's political system. We must further solidify, develop, and improve these two systems through reform. We should insist on practicing democratic centralism, gradually make decision-making more scientific and democratic, and give full play to the earnestness of the vast numbers of cadres and the masses in serving as the master of the country, and to their initiative. To be in line with the development of socialist market economy, and to meet the requirements of socialist democratization, we should be resolute in carrying out reform of the administrative management system and structural reform; we should truly transform government's functions, straighten out relationships between

departments, lay off surplus personnel, simplify administrative procedures, and raise efficiency. Only socialism with good material and spiritual civilizations is socialism with Chinese characteristics. We should pay attention to promoting both material and spiritual civilizations at all times; we must not relax our efforts on either one.

—The 14th CPC National Congress correctly analyzes the current international situation, fully affirms the country's new achievements in foreign-related work, and reiterates the basic stand and principles of China's foreign policy. Currently, the world is in a time of great historical change. The bipolar establishment has crumbled and the world is becoming multipolar—a new establishment is in the making. A new world war may be preventable, but hegemonism and power politics still exist. The two major problems of peace and development have not been solved; the international situation is still turbulent. The report of the 14th CPC National Congress reiterates: However the international situation may change, China will unswervingly adhere to its independent foreign policy of peace; further develop its neighborly and friendly relations with its neighbor countries and regions; strengthen solidarity and cooperation with the vast numbers of developing countries of the Third World; develop normal relations on the basis of the five principles of peaceful coexistence with all countries, including Western developed countries; resolutely oppose hegemonism and power politics in any form; and actively work to help establish a peaceful, stable, fair, and reasonable new international order. The objective of China's diplomatic work is to strive to create a favorable international environment for the country's reform, opening up, and modernization drive; and, at the same time, to make contributions to global peace and development.

—The 14th CPC National Congress for the first time unequivocally called for using Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to arm the whole party—this is the core issue of strengthening the party's leadership, as well as the fundamental task of strengthening party building in the new period. The key to whether the party's basic line can be unswervingly upheld; whether our socialist reform, opening up, and modernization drive can be carried out in a better and faster way; whether our country can enjoy a lasting peace and long-term stability; and whether our country will be prosperous and strong, lies in our party. The theory of building socialism with Chinese characteristics is an in-depth summing up of the achievements in our socialist reform, opening up, and modernization drive over the past 14 years; is the newest product of integrating basic Marxist principles with China's reality; and is the most important guiding ideology for us in observing, examining, and solving problems. We must study well and master this theory and use it to guide our party's political building, ideological building,

organizational building, and work style in the new period. The party's Seventh National Congress established Mao Zedong Thought as our party's guiding ideology, thereby unifying the whole party's thinking and leading China's revolution to victory. The party's 14th National Congress decided to use Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, as Mao Zedong Thought carried forward and developed, to arm the whole party. As long as we unswervingly adhere to this decision; continue to strengthen party building; raise the level of the party's governing and leadership; and enable our time-tested Marxist political party to function better as the nucleus of leadership in the course of reform, opening up, and the modernization drive, our party and people will definitely march from victory to new victories.

In conclusion, I would like to stress that, as long as we hold high the banner of the theory of building socialism with Chinese characteristics, unswervingly adhere to the party's basic line, and implement in earnest the basic guidelines of the 14th CPC National Congress, our undertakings will definitely be invincible.

'Pen Talk' Expounds on Jiang's Congress Report

HK1411014092 Beijing RENMIN RIBAO in Chinese
23 Oct 92 p 5

["Pen Talk on Arming the Whole Party With Comrade Deng Xiaoping's Theory of Building Socialism With Chinese Characteristics" by Teng Wensheng (3326 2429 3932): "A Great Program That Comprehensively Enhances the Socialist Cause With Chinese Characteristics"; first three paragraphs are RENMIN RIBAO editor's note]

[Text] The 14th CPC National Congress, which drew the attention of the country and the world, has successfully closed. Under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, this congress conscientiously summed up the practice and experience of the last 14 years, decided the strategic arrangements for the 1990's, and issued a mobilization order to "expedite the pace of reform, opening up, and modernization and score greater successes in the socialist cause with Chinese characteristics" to the entire party and the people of all nationalities throughout the country. Comrade Jiang Zemin's report, adopted by the 14th CPC National Congress, is a systematic document of historic significance and will surely produce a far-reaching impact on China's future development.

Our party is a great party with 51 million members, and our country is a big country with 1.1 billion people. If our party wishes to undertake the heavy task of leading the people of all nationalities throughout the country in building socialism with Chinese characteristics, and if our country wants to stand aloft in this changeable world pattern, we must arm and unify the ideology and will of the entire party and people with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and this must be put into effect so as to turn the

14th CPC National Congress spirit into a tremendous material force enhancing reform, opening up, and modernization.

To help everyone study 14th CPC National Congress documents better, beginning today, RENMIN RIBAO will carry a pen talk special column entitled "Arming the Entire Party With Comrade Deng Xiaoping's Theory on Building Socialism With Chinese Characteristics." In this special column, a series of articles will be published explaining what has been learned from studying the 14th CPC National Congress spirit. Hopefully, these articles will help our readers understand the 14th CPC National Congress spirit. Readers' comments and suggestions on this special column are welcome.

The 14th CPC National Congress was held during a crucial period of the country's development and was an important congress in the party's history which has inherited the past, ushered in the future, and was determined to forge ahead in unity. Comrade Jiang Zemin's report to the congress on behalf of the 13th CPC Central Committee is a great program which mobilizes comrades in the entire party and the people of all nationalities throughout the country in further emancipating their minds; seizing the opportunity to expedite the pace of reform, opening up, and modernization; and in scoring greater successes in the socialist cause with Chinese characteristics.

The 14th CPC National Congress report is a product of the great practice since the Third Plenary Session of the 11th CPC Central Committee. Over the last 14 years, our party has led the people throughout the country in carrying out reform and opening up, in further emancipating and developing the productive forces, and in building the socialist cause with Chinese characteristics. This is a new revolution taking place in our motherland. This new revolution has invigorated the entire country's vitality and enabled us to make great achievements in economic and social development. The great practice of the last 14 years has fully proved that the party's line, principles, and policies in this new period are completely correct. This line, principles, and policies have also laid a foundation for the 14th CPC National Congress report, which has made a solemn and historic summation of the basic theory, basic line, and a number of strategic decisions for modernization formulated in the course of practice. This report has also further made a theoretical summation of the practice and experience in the last 14 years, thus enriching and developing theory on building socialism with Chinese characteristics. We can absolutely say that without the great practice of the last 14 years, it would have been impossible to work out a Marxist and systematic document like the 14th CPC National Congress report.

The ideological basis of the 14th CPC National Congress report is Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. This theory is a product of integration between the basic principles of Marxism-Leninism and the present-day realities in

China and the characteristics of the era, is the inheritance and development of Mao Zedong Thought, is the collective manifestation of the collective wisdom of the Chinese people, and is the most valuable spiritual treasure of the Chinese people. Guided by this theory, the 14th CPC National Congress report fully portrays the common wish of the entire party and the people of all nationalities throughout the country. They have also absorbed rich ideas and contents from this report. During an inspection of south China early this year, Comrade Deng Xiaoping made important remarks explicitly resolving major problems of understanding which had disturbed and restricted people's minds and brilliantly expounding the major significance and favorable conditions for expediting reform, opening up, and economic development. He called on comrades in the entire party to further emancipate their minds, to seek truth from facts, to carry out bold experiments, to promptly sum up experience, and to forge ahead continuously. This greatly boosted the initiative and creativity of cadres and masses and played an important role in guiding the formulation of the 14th CPC National Congress report. On 9 June this year, Comrade Jiang Zemin made an important speech at the Central Party School, during which he further expounded a number of major problems including expediting reform, opening up, and economic development, in line with Comrade Xiaoping's remarks and the spirit of a Political Bureau plenary meeting in March. This also played a guiding role in the formulation of the 14th CPC National Congress report.

The 14th CPC National Congress report comprehensively analyzes the current domestic and international situations; scientifically sums up basic experiences in the great practice over the last 14 years; correctly sets the main tasks in reform and construction for the 1990's; fully confirms Comrade Deng Xiaoping's great historic contributions to the establishment of the theory of socialism with Chinese characteristics and designing the grand blueprint on China's reform, opening up, and modernization; explicitly clarifies the need to unrelentingly persist in the party's basic line for 100 years so as to ensure the concentration of efforts on national economic development and the smooth realization of the country's modernization; explicitly clarifies the need to form China's socialist market economic system; and explicitly clarifies the need to arm the entire party with the theory of building socialism with Chinese characteristics. All these are the main characteristics of the major achievements of the 14th CPC National Congress. The 14th CPC National Congress will play a huge promoting role in invigorating the nation, in making the country stronger, in bringing happiness to the people, and in developing China's socialist modernization. It will also have far-reaching historic significance and add a brilliant chapter to the party's history.

The fundamental point in implementing the 14th CPC National Congress report is to comprehensively promote China's socialist cause with Chinese characteristics by unwaveringly adhering to the party's basic line. Practice

has proved and will continue to prove that the party's basic line is completely correct. Unswervingly adhering to and implementing this line is the most reliable guarantee for us to withstand risks and tests in our cause and to smoothly reach our great goal. It is also the most reliable guarantee for us to fulfill all reform and construction tasks in the 1990's.

The key to unswervingly adhering to the party's basic line is to unswervingly adhere to the central task of economic construction. This is determined by the main contradiction in Chinese socialist society. After the establishment of the socialist system, due to domestic factors and international influence, class struggle will exist for a long time in a certain sphere and may become intense under certain conditions. We should soberly understand and correctly handle problems in this respect. But the main contradiction in our society is not class struggle any longer, so economic construction must become the central task of the party and the state. We must consolidate the socialist system to fundamentally prevent peaceful evolution; we must fully display the superiority of the socialist system and constantly improve its appealing and coherent force among the people; we must uproot factors causing social instability and safeguard the country's prolonged stability and tranquillity; to enable our cause to remain triumphant forever amid world changes and the confrontation and competition between the two social systems, we must, in the final analysis, develop social productive forces and greatly improve our economic strength and comprehensive national strength. The economy is the foundation for the development of all undertakings and social progress. A country is powerful only when it is wealthy. This is an objective historical truth. Therefore, at no time should we waver in carrying out the central task of economic construction or deviate from it, unless there is a large-scale enemy invasion. All kinds of work must be consciously subordinated to it and serve it.

In unswervingly taking economic construction as the central task, we must seize the favorable opportunity to actively and effectively expedite the pace of economic development and be bold in making explorations and bringing forth new ideas. In expediting reform and opening up, we must not allow our minds to be bound by the abstract debate over whether what we are doing is surnamed "socialism" or "capitalism." Reform and opening up are the only way for China to materialize socialist modernization. Whether or not we can further improve China's socialist system and further emancipate and develop the productive forces is a major question having an important bearing on the development and future of China's economy and the entire socialist cause. We should continue to resolutely carry out and make a success of all kinds of jobs in reform and opening up according to the spirit of the 14th CPC National Congress report.

We should expedite the pace of reform and opening up with focus on the establishment of the socialist market

economic system. The target of China's economic structural reform is to establish the socialist market economic system and promote the further emancipation and development of the productive forces. In the past, China practiced a highly centralized planned economic system for a long time. This system at one time played an important and positive role, but because there are shortcomings in this system, such as an overcentralization of power, ignorance, and even a denial of the role of the commodity economy and markets, it has become more and more incompatible with the demand for modernization and has restricted the development of the productive forces. Therefore, it is imperative to fundamentally reform this planned economic system; otherwise, it will be impossible to bring about China's modernization. The purpose of establishing the socialist market economic system is to enable markets to play a basic role in allocating resources under our socialist state's macrocontrol and to enable economic activities to go by the law of value and to conform with changes in the relationship between supply and demand. Since the Third Plenary Session of the 11th CPC Central Committee, our understanding of the establishment of the new economic structure has experienced a development process. This is normal and suggests that we cannot complete our understanding of objective matters in one move. A comparatively scientific understanding requires repeated discussions and constant summations and improvement through practice before it can be formed. The 14th CPC National Congress report explicitly proposes forming a socialist market economic system. This indicates a new leap in our understanding of the law of socialist economic development and that China's economic structural reform has entered a new period.

In accordance with the requirements of the 14th CPC National Congress report, it is necessary to do a good job in these four aspects of mutual relations when forming a socialist market economic system: First, it is necessary to transform the operational mechanism of state-owned enterprises, particularly large and medium-sized enterprises, to increase their vitality and to improve their quality; second, the cultivation of the market system should be speeded up; third, reforms of the distribution system and the social insurance system should be deepened; and fourth, we should expedite the transformation of government functions. The establishment of a socialist market economic system cannot be accomplished in one move but will take a prolonged process of development. It is difficult and complicated social system engineering. We should be mentally prepared for protracted efforts and should also take a number of effective measures and steps to actively promote it.

There is a need to expedite the pace of opening up to the world and widen its scope. This is also an inevitable demand for persisting in the central task of economic construction and promoting economic development better and faster. The development of modern socialized production has gone beyond regional, national, and state limitations, and has given rise to a wider international

market; no country can carry out its economic activities in isolation from the world economy. Practice has fully proved that opening up to the world is an indispensable, important condition for China's reform and economic development. In accordance with the requirements of the 14th CPC National Congress report, we should increase the number of regions we open up our country to; form a multitiered, multichannel, and omnidirectional opening up pattern; strive to widen the scope of introducing foreign capital; actively explore the international market, and promote the diversification of foreign trade.

To conform with economic structural reform and economic development, we should continue to carry out political structural reform and strive to bring about comparatively big development in the formation of China's socialist democratic and legal system. This is an important guarantee for persisting in the central task of economic construction and promoting economic development. Our aim in political structural reform is to form socialist democratic politics with Chinese characteristics and absolutely not to introduce a Western multiparty system or parliamentary system. We will uphold and improve democratic centralism. This is an important component of forming socialist democratic politics with Chinese characteristics and is also an important principle to observe in actively promoting all kinds of political reform work. We will, in accordance with the principle of democratic centralism, further improve the people's congress system, the CPC-led multiparty cooperative system, the political consultative system, and the system of regional autonomy for minority nationalities; we will further establish and improve democratic and scientific policymaking procedures and systems; and we will further make up our minds to carry out administrative system and institutional reforms, to really bring about functional transformation, to smooth relations, to streamline administration, and to improve efficiency.

To expedite reform and opening up, concentrate on economic construction, and bring about overall social development on the basis of economic development, the 14th CPC National Congress report sets 10 major tasks involving the overall situation. Apart from what has been mentioned above, these include adjusting and optimizing the industrial structure, speeding up scientific and technological progress, energetically developing education, expediting regional economic development, promoting the rationalization of the national economic setup, strengthening socialist spiritual civilization, continuously improving the people's lives, strengthening Army building, and improving our national defense ability. These tasks are related to each other and promote each other. Efforts should be made to fulfill them. The socialist cause is a cause of overall development. We should persist in the central task of economic construction, incessantly promote economic prosperity, use economic development to push forward other understandings, continuously promote overall social progress, carry out a high degree of material and spiritual civilization,

and enable the people to finally achieve common prosperity and to acquire a fine ideological, moral, scientific, and cultural quality. Only in this way will we be able to comprehensively materialize the socialist cause with Chinese characteristics and make a thorough success of it, and will the socialist system be full of vigorous vitality and fully display its tremendous superiority.

In unswervingly upholding the party's basic line, we must have unification between reform and opening up on the one hand and the four cardinal principles on the other. The purpose of adhering to the four cardinal principles and persisting in reform and opening up is to emancipate and develop the productive forces better and promote the socialist cause with Chinese characteristics. These two basic points rely on each other, permeate each other, and promote each other. Practice has fully proved that only by adhering to the four cardinal principles will reform, opening up, and modernization proceed along a correct orientation and will we be able to provide a stable and united social and political environment for economic development. Only by persisting in reform and opening up can we really adhere to the four cardinal principles and provide the contents of the new era for these principles. In short, persisting in reform and opening up and adhering to the four cardinal principles are organically integrated in the practice of building socialism with Chinese characteristics. No separation or antagonism should be created between them and we should not consider only one of them to the neglect of the other in our understanding and practical work. The 14th CPC National Congress report points out: "Socialism with Chinese characteristics is full of vigorous vitality because it is socialism practicing reform and opening up. Our reform and opening up can healthily develop because they are beneficial to the consolidation and development of socialism."

The integration of reform and opening up and the four cardinal principles demands our adherence to the principle of "attaching equal importance to both material and cultural progress." "Attaching equal importance to these two" is a prominent characteristic of the party's work in the new period and is also a component of the theory on building socialism with Chinese characteristics. Facts have proved that whenever "equal importance is attached to these two points," reform and construction can proceed smoothly; if one of them is stressed to the neglect of the other, reform and construction will encounter difficulties and mistakes will even occur. Therefore we should earnestly "attach equal importance to both material and cultural progress" in our actual work. This should become an important guideline as well as leadership method and art in carrying out modernization, reform, and opening up.

On the question of "one central task, two basic points," party members, particularly leading cadres, must be on the alert for right tendencies, but mainly they must guard against leftist tendencies. A review of the process of reform, opening up, and modernization in the last 14

years suggests that reform, opening up, and modernization have encountered the interference of both right and "left" tendencies. History and facts have proved that both right and "left" tendencies can ruin socialism. In our party's history, "left" ideology has taken deep root. It bears a revolutionary flavor and people are apt to be deceived. Therefore, party members, particularly leading cadres, should guard against "left" tendencies. The purpose of the party is explicitly pointing out the need to be on the alert for right tendencies but to mainly guard against "left" tendencies is to enable comrades in the entire party, particularly leading cadres at all levels, to draw historical lessons and enhance their consciousness and resoluteness in implementing the party's basic line. In the meantime, problems concerning ideological understanding and different views in actual work and even biases should be practically and concretely analyzed and should not be deliberately described as "left" or right political tendencies. Emancipating the mind and seeking truth from facts are the party's ideological line and are also the quintessence of the theory on building socialism with Chinese characteristics. Emancipating the mind and seeking truth from facts form an entity, which requires our minds to conform with realities, instead of lagging behind or surpassing them. We should proceed from reality in everything we do and draw up our plans according to specific conditions. In addition, under the guidance of Marxism, we are required to break away from all kinds of incorrect ideological binds and to change the mental status of sticking to the old and being unwilling to accept new things. Therefore, emancipating the mind, seeking truth from facts, and preventing and overcoming interference from both "left" and right tendencies are an important ideological guarantee for implementing the party's basic line comprehensively and correctly.

In unswervingly adhering to the party's basic line, we must consolidate and develop the political situation of unity and stability. Social and political stability is where the fundamental interests of the country and people of all nationalities lie and is also a necessary condition for adhering to the party's basic line and expediting reform, opening up, and economic development. Without political stability or social tranquillity, it would have been impossible to carry out reform, opening up, or economic construction. Therefore, we must treasure and resolutely safeguard the political situation of unity and stability and must resolutely remove all social and political factors which may cause unrest and turmoil. We must deal resolute blows according to law against sabotage activities and serious crimes by hostile forces by displaying the functions of the people's democratic dictatorship. Furthermore, it is necessary to carry out profound and meticulous ideological and political work among the masses and to promptly and appropriately handle contradictions among the people so as to prevent the emergence of factors unfavorable to social stability. In consolidating and developing the political situation of unity and stability, we should also correctly handle the relations between development and stability. Unity and

stability are an indispensable precondition for economic development. But without persisting in the central task of economic construction, without carrying out reform and opening up, and without economic development, it is impossible to consolidate unity and stability. In short, with the basic line remaining unchanged, our society and politics will be stable. With these two, we will keep advancing and remain invincible in our advance.

The key to unswervingly adhering to the party's basic line for a long time; carrying out reform, opening up, and modernization better and faster; and making the motherland more prosperous and strong lies in our party's leadership and work. The 14th CPC National Congress report explicitly stipulates the need to arm the entire party with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and points out that it is necessary to conscientiously study this theory and strengthen our consciousness and resoluteness in implementing the party's line under the guidance of this theory; to improve leading groups; to foster successors to the socialist cause; to form closer ties between the party and the masses; to firmly overcome dispirited and corrupt phenomena; to strengthen grass-roots party organizations and fully display the exemplary vanguard role of party members; to uphold and improve democratic centralism; to safeguard the party's unity and integrity, the purpose being to strengthen party building ideologically, politically, organizationally, and in terms of style to further improve party leadership and enhance the party's ability to hold power and exercise leadership. This is quite important. In different historical periods, our party has conscientiously strengthened its own building in light of the historical mission it has undertaken to ensure that its leadership and work remain correct and efficient. This is a fine party tradition. In the meantime, the CPC has armed the entire party with the correct basic theory and basic line which has been used to guide the smooth completion of the historical mission and has made efforts to improve the quality of party members and their combat worthiness. This is another fine party tradition. Since the Third Plenary Session of the 11th CPC Central Committee, the process of formulating the basic theory and basic line on building socialism with Chinese characteristics has been a process of party members and cadres gradually studying this theory and basic line and using them to guide their minds and work. The theory of building socialism with Chinese characteristics is the latest achievement of Marxist theory in present-day China and is a powerful ideological weapon guiding our socialist reform and modernization. Arming the entire party with this theory of Comrade Deng Xiaoping is a major matter in the party's political life and party building. We can predict that it will greatly encourage all levels of party organizations and party members to more consciously study and resolve new problems in party building and party work and to create more new experiences, and it will enable our long-tested Marxist party to better bring into play its role as the leadership core for the great cause to come.

Scholars Hold Seminar on Influence of Guo Moruo

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GMT 14 Nov 92

[Text] Beijing, November 14 (XINHUA)—About 100 scholars gathered here today to discuss Guo Moruo and the development of China's modern culture.

The Chinese Academy of Social Sciences organized the four-day seminar.

"Guo has a correct attitude toward mankind's cultural heritage," said Zhou Guangzhao, president of the Chinese Academy of Sciences, "and he stood for the absorption and development of the essence of human culture, whether in modern or ancient times, in China or elsewhere. More importance should be attached to this attitude."

About 60 theses have been submitted, mainly linking Guo's achievements to the conflicts and exchanges between the Eastern and Western cultures and studying their further impacts.

Guo, one of the champions of China's modern literature, joined the "New Culture Movement" in the 1920s, which encouraged learning from the West, promotion of science and democracy, and elimination of feudal ideas.

He died in 1978 with the reputation of being a great scientist, writer and revolutionary. This year marks the centennial of his birth on November 16.

Scholars from a dozen countries and regions, including the United States, Japan, Russia and Taiwan are attending the seminar.

Program To Upgrade Universities Introduced

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Nov 92 p 1

[Article by staff reporter Xie Liangjun: "Key Universities To Be Propelled to World Repute"]

[Text] An ambitious programme is in the making to upgrade China's universities and colleges to the top international rankings in the next century, it was learned yesterday.

Codenamed "Project 211," the programme is designed to elevate 100 universities along with their key curricula to international repute by the start of the 21st century, according to top education officials in Beijing.

They revealed that Project 211 has been approved in principle by the State Council and the Central Committee of the Chinese Communist Party, and that the State Education Commission and State Planning Commission plan to select the 100 key universities and their subjects or specialties as the project's pilot group to obtain special government support.

The support will include backing education reforms, offering more financial and material support and expanding the self-governing power of national universities.

Government sources said that they will open up Chinese universities and colleges to active international exchange and co-operation. Growing attention will be given to the study of the experiences of successful, well-run foreign universities or colleges.

After about 10 years of striving, the Chinese are set to enable a number of Chinese universities and their specialty subjects or major fields to rival those that have achieved worldwide recognition for educational quality, scientific research, academic levels and administration, according to the officials.

The move is one of the government's current major efforts to reform its system of higher-learning institutions—most of which are run by the State—and is also the central topic at an ongoing national education conference.

The five-day conference, which opened in Beijing on Saturday, is being attended by about 400 educational officials and university presidents from across China. They will also discuss how to reform China's system of higher learning to tailor it to the needs of a socialist market economy.

Zhu Kaixuan, Vice Minister in charge of the State Education Commission, said at the opening session that the country's higher education should "develop markedly in the 1990s."

To reach the goals set, Zhu said, the government will continue to encourage Chinese and foreign enterprises or institutions to invest in schools of higher learning, while asking students to pay part of their college tuition. The steps are intended to reduce gradually the State's burden.

Zhu stressed that the country should develop especially colleges for professional training to meet the urgent need for skilled personnel in the medium- and small-sized firms, rural township enterprises and service industry across the country.

The number of Chinese universities and colleges has risen from 598 in 1978 to 1,075.

And the number of college students has also jumped from 860,000 to more than 2 million in that period.

Over those 14 years, more than 120,000 Chinese students have been sent abroad to study at public expense and 50,000 have gone with private funding. More than 20,000 foreign students have been accepted for study at Chinese higher-learning institutions in that period.

State To Decentralize Movie Distribution System

OW1611073892 Tokyo KYODO in English 0719 GMT
16 Nov 92

[Text] Beijing, Nov. 16 KYODO—China has decided to decentralize its movie distribution system in an attempt

to rescue the nation's ailing film industry from financial ruin, Chinese film sources said Monday [16 November].

Under the new system, the country's 16 feature film studios will be empowered to market and sell their own productions both at home and abroad, the sources said. Film distribution is currently monopolized by a state-run company, the China Film Import and Export Corp. (China Film), which purchases film copies for a nominal fee and then pockets the domestic box-office receipts and a large percentage of any foreign sales.

China's Vice Minister in charge of film, Tian Congming, held a closed-door meeting with China film boss Hu Jian on Friday to discuss the changes, industry sources said. With most studios laboring under heavy losses, the new measures are a response to the recent 14th Communist Party Congress, which paved the way for sweeping capitalist-style reforms, the sources said.

Paid a mere 10,500 yuan (1,900 dollars), per print, film studios currently need to sell more than 100 copies to China Film just to break even, a film official explained. Cash-starved studios have been forced to turn to sideline production, filming television dramas and company advertisements to offset movie-making losses, the official said.

"This in turn has lowered the quality of feature films and hit box office sales," he said.

Film industry officials privately admit that the decision to decentralize is a politically sensitive move born of economic necessity. While movies are still considered important for party propaganda, the number of political movies made is likely to dwindle in favor of action-packed dramas, which score better at the box office, they say. The new reforms should also improve quality by making studios fully accountable for profits and losses.

"The measures will only benefit studios if they produce high-quality films which the public is willing to see," one official said. But political concerns have not been totally abandoned, since China Film will continue to distribute documentary and scientific films and retain absolute control over film imports from foreign countries, he said.

"Script censorship and studio film quotas will also remain the prerogative of the central authorities," he said.

Contacted by telephone, a spokesman for the film bureau which oversees censorship confirmed there will no relaxation of China's strict censorship laws.

"While we all support the goal of reform, there are no plans to alter the central censorship system," he said.

New Coding Method for Chinese Characters Endorsed

OW1311113692 Beijing XINHUA Domestic Service in Chinese 1315 GMT 9 Nov 92

[By reporter Zhuo Peirong (0587 1014 2837)]

[Text] Beijing, 9 Nov (XINHUA)—The State Language Work Committee today presided over a technical appraisal here and adopted a new method for looking up characters in the dictionary according to a new system of coding based on the strokes of Chinese characters. Meanwhile, the committee recommended that departments concerned should, as soon as possible, encourage the use of the new method as the simplest and most popular way for looking up characters in a dictionary at primary and middle schools, at colleges and universities, and throughout society.

The main feature of this new method for looking up characters is to code Chinese characters on the basis of their strokes. In other words, the new method assigns the codes of 1, 2, 3, 4, 5, 6, 7, and 8 to the eight basic strokes for Chinese characters—horizontal, vertical, throwing, dotting, bending, and curving strokes, as well as crosses and squares. It also features a coding system based on the first three to six strokes of a Chinese character for people to look up characters in a dictionary. After studying the method for an hour, some fourth and fifth graders become familiar with the new coding system and learned how to use it to look up characters in a dictionary. The actual use of this method shows it speeds up the process of looking up characters and that it is faster than other methods.

The basic method for looking up characters via a coding system based on Chinese character strokes was proposed by Ding Xilin and other noted scholars in the early 1960's. The method was recommended by the education and culture ministries and by other departments as one of four basic methods for looking up characters in a dictionary at that time and, after 1978, was used as a coding method for Chinese-language computers. Further extensive research was conducted in recent years under the auspices of Professor Li Jinkai of the Beijing Teachers' University to make the system more compatible with language courses given at primary schools, to enable primary school pupils to easily learn the method, and to promote language education at primary schools. Meanwhile, by integrating the method of looking up characters in a dictionary with the computer coding system, the new technique enables those who know how to use a Chinese-language dictionary to also understand the operation of Chinese-language computers and electric typewriters, and, therefore, it creates a condition for popularizing the use of computers.

In terms of his achievements in coding based on Chinese character strokes and the phonological coding method, Professor Li Jinkai's research has two British patents, while another achievement of making Chinese-language computers compatible with other languages has been

granted a Chinese patent. Li Jinkai announced today that he will offer the three patents free of charge to teachers and students of primary and middle schools, as well as to colleges and universities, throughout the country.

It has been learned that the new method of using a coding system based on Chinese character strokes to look up characters in a dictionary has been adopted by 40,000 users of the Changcheng [Great Wall] computer in conjunction with the pinyin method. The "Zhonghua Zidian" [Chinese Dictionary] that will be published soon has also adopted this method for users to look up characters.

Official Cited on Enforcing Mining Safety Law

*OW1411130392 Beijing XINHUA in English 1239
GMT 14 Nov 92*

[Text] Beijing, November 14 (XINHUA)—China's first law on mining safety will be put into force on May 1, 1993.

The law stipulates that all mining enterprises in China must have qualified facilities to ensure safe production and protect the lives and health of mine workers; they must set up a safe and efficient safety system.

The law stipulates that the safety facilities of mining enterprises must be put into use simultaneously with production.

All mining enterprises must take effective measures against the occurrence of such dangers as gas and dust explosions, cave-ins, and water and fire accidents.

The law strictly forbids the employment of women or under-age children. The enterprises must earmark a certain amount of funds to improve both the miners' working conditions and their knowledge of safe production. Miners who have not received safety training will not be allowed to work.

The law also stipulates that the labor administration departments will take charge of the safety supervision on behalf of the government. All the mining enterprises have the responsibility for the safety of miners and the trade unions should be endowed with powers to safeguard the safety of miners.

According to Zhu Jiazhen, vice-minister of labor, though much progress has been achieved in ensuring the safety of miners, the problems of injuries and deaths caused by mining accidents remain serious.

He said that a large number of small mining enterprises do not have the basic safe production conditions and accidents are frequent.

According to statistics from the ministry of labor, there were 9,395 mining accidents in 1991, with the death toll

reaching 9,819 and the number of serious injuries reaching 3,083. Some 70 percent of the deaths occurred in township-owned mines.

The vice-minister said that though the number of accidents, the death toll and the number of heavy casualties in 1991 dropped at rates of 10.8 percent, 6.3 percent and 20.2 percent, respectively, compared with 1990, the death toll in mining enterprises accounts for 66.9 percent of the total industrial-accident deaths.

Zhu said that with the reform of the economic system, various forms of mining enterprises went into operation in defiance of the existing rules and regulations on mining safety.

Science & Technology

Government To Upgrade Nuclear Fusion Research

*OW1611091392 Beijing XINHUA in English 0844
GMT 16 Nov 92*

[Text] Chengdu, November 16 (XINHUA)—China's largest item of controlled nuclear fusion research, the HL-1 Tokamak (China), is to be updated.

According to an appraisal conference sponsored by the Southwestern Institute of Nuclear Physics, new technology in this area will be introduced to the project.

Controlled nuclear fusion aims to extract useful materials from sea water.

In September 1984 China set up its largest nuclear fusion device, and since then it has undertaken more than 20 experimental programs and completed more than 430 projects.

The device has reached the international standard in plasma quality parameters, and has enabled China to participate in international cooperation in this field.

Qinshan Nuclear Plant Design Passes Examination

*OW1311191692 Beijing XINHUA in English 1506
GMT 13 Nov 92*

[Text] Beijing, November 13 (XINHUA)—The tentative design for the second-phase project of the Qinshan Nuclear Power Station passed the state examination here today.

As one of the state's major construction projects during the Eighth Five-Year Plan period (1991-1995), the second-phase project of the Qinshan Nuclear Power Station in Zhejiang Province will include the construction of two water-pressure nuclear reactors of 600,000 kw each, leaving room for another two water-pressure nuclear reactors of 600,000 kw in the third-phase project.

The water-pressure reactors will employ a double loop structure. Each loop is designed with electric power of 300,000 kw in order to develop it to a million-kw nuclear reactor.

This project was decided by the State Council in January of 1986 and filed with the approval of the State Council in October of 1987.

Last July, the State Council approved the report on second-phase project feasibility studies.

Through the design and construction of the two water-pressure nuclear reactors, China expects to realize the standardization, nationalization and serialization in the construction of nuclear power stations.

Now the preparatory work for the second-phase project is underway.

Scientists Play Larger Role in Decisionmaking

OW1511141292 Beijing XINHUA in English 1229
GMT 15 Nov 92

[Text] Beijing, November 15 (XINHUA)—Chinese scientists have played an increasingly important role in the decision-making of the country's economic construction, offering their advice and suggestions to the government at all levels.

According to an official from the China Association for Science and Technology (CAST), China's scientific and technological consultation started 10 years ago, which combined academic research with policy-making. For example, the government accepted the proposal by the Chinese society of space science to build a multi-function meteorological satellite, which has doubled the satellite capacity for data collection and processing.

The proposal on adjusting the Chinese food diet made by the Chinese Society of Agriculture Science has been written into the country's Ten-Year Development Program (1991-2000) and the Eighth Five-Year Plan (1991-1995), which is expected to have a profound influence on enhancing people's lives.

Early this summer, the Chinese Society of Hydraulic Engineering put forward measures on flood control after a field expedition in 26 counties along the yellow river.

According to CAST officials, the Chinese Government and industrial ministries have also accepted proposals made by scientists on such important industrial projects as the construction of the Jungar coalfield in the Inner Mongolian Autonomous Region, the Baoshan Iron and Steel Complex in Shanghai, and the diversion works on the Yangtze River.

CAST now has set up about 770 scientific and technological consultation organizations throughout China at and above the levels of provinces, prefectures and cities.

Economic & Agricultural

Editorial Views Reform, Market Economy

CM1611175292 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 16 Nov 92 p 1

[Editorial: "The Only Way To Rejuvenate the Economy"]

[Text] In his report to the 14th CPC National Congress, Comrade Jiang Zemin clearly stated that the goal of our country's economic reform is to establish a socialist market economy system. This is a major decision which has a bearing on the overall situation of the socialist modernization construction. It is a decision which shows the direction for our country's reform of the economic system, and which adds tremendous thrust to the quickened development of our country's economy. This decision has major practical significance as well as far-reaching historical significance.

The introduction of a socialist market economy is the inevitable outcome of long and arduous exploration as well as the summing up of positive and negative experiences. During the early stage of the founding of the People's Republic of China and the First Five-Year Plan, our country was faced with the heavy tasks of realizing the nation's financial and economic unity, of carrying out the transformation of capitalist industry and commerce, and of launching a planned and large scale economic reconstruction. It was during this period that a centralized economic system was gradually put into place throughout the nation. At that time, not every aspect of the economy was overly centralized. Great creativeness could also be witnessed in the economy since, in adopting the methods and steps to carry out the socialist transformation, China adhered to the policy of proceeding from its own actual conditions. Under the historical conditions at that time, the planned economy had enabled China's economy to make a speedy recovery. It had also helped China complete 156 key projects. The planned economy did indeed put into play the superiority of having an overwhelming force to tackle major undertakings. However, the shortcomings of this economic structure—which is characterized by highly centralized planning and administrative interference—have become more and more apparent with the expansion of the economy, the increasingly complex economic structure, the increase of economic development targets, the quickening process of the technological renewal, the rising demands of the people to improve their life, and the demands posed by China's opening up to the outside world. Under this economic structure, the initiative of enterprises and individuals is difficult to mobilize. It has seriously hampered the development of our country's productive forces. In a sense, the Third Plenary Session of the 11th CPC Central Committee sounded a bugle call for the second revolution, raised the banner for reforming the structure, and signified China's ever evolving and deepening recognition of the relationship between planning and market. At the beginning of the

year Comrade Deng Xiaoping inspected southern China. After summing up practical as well as historical experiences, basing it on borrowed international experience, and displaying deep historical insight as well as great theoretical and political courage, he again put forward the view that planning and the market are not the essential distinction between socialism and capitalism. He showed the essence and crucial point of China's reform, and he provided a theoretical basis for deepening reform and establishing a new system. The elucidation of this view marks a breakthrough of traditional views, dispels ideological foggy, opens the people's minds, and brings them great enlightenment. The 14th CPC National Congress set forth the targets for a socialist economy, correctly solved the crucial problem of how to determine the role of planning and the market in the disposal of resources, and pointed out that "under the socialist state's macrocontrol it is necessary to make the market play a fundamental role in the disposal of resources." It is a logical development in the 14 years of reforming the economic structure, and it marks a great ideological emancipation and another major theoretical breakthrough following the party's introduction of the socialist primary stage theory and the socialist commodity economy theory. It also marks a new and great achievement in following the Marxist ideological line. Facts have time and again shown that our party is a party which has courage in facing reality, and that Marxism is not an ossified theoretical system but a scientific one which is full of vitality.

Establishing a socialist market economy is the only way to rejuvenate China; it is a historical choice to develop the socialist productive forces to the greatest extent. Our country's 14 years of practice in reform has proven this. The reforms which have been implemented since the convening of the Third Plenary Session of the 11th CPC Central Committee were a great experiment in market orientation and in the role of the market in macroeconomic control. Over the last 10 years or so, we have practiced in rural areas the contract responsibility system with remuneration linked to output, and in urban areas we have adopted a contracting system in enterprises. We gradually lifted price controls in the materials market, in key production materials market, and on market prices; we gradually scaled down the mandatory plan and reduced the scope of state-regulated prices, which enabled market mechanisms to play a bigger role in production and distribution. These reforms effectively mobilized the enthusiasm and initiative of the masses for production and energized China's economic dynamism and vitality. They not only markedly accelerated the process of the development of China's economy, but also greatly enhanced the conviction of the Chinese people for socialism, enabling China to stand rock solid amid international upheavals and change. Practice has shown that we should not violate the objective economic law and belittle the fundamental role of market mechanisms in the great socialized production in modern times. Without carrying out in-depth reform, there will be no effective remedy to deal with such deep-rooted

contradictions as an irrational economic structure, low economic efficiency at state-owned enterprises, and great imbalances in state revenues and expenditures which now exist in our country's economy. The world economy is developing in the direction of internalization and integration, and a modern market economy is universally accepted throughout the world. If we want to join the international community, we must deepen reform. The decision to adopt a socialist market economy system will be conducive to solving deep-rooted contradictions in the national economy, to unifying the domestic market, and to coalescing China's economy with the international market. The socialist market economy is therefore an objective requirement for the further development of our country's economy.

The market economy is a natural historical process of society. It is a product of the development of a commodity economy and of highly modernized and socialized production. It depends on obtaining timely information on price changes in the operation of the economy; it provides a flow chart for economic resources and for key means of production; it brings about optimized disposal of resources; it promotes timely coordination between production and demands; it gives operational autonomy to enterprises, enabling them to make decisions according to market changes; and it creates pressure as well as thrust to propel the development of the economy through fair competition, a process of survival of the fittest. However, the market economy is not omnipotent. It too has such shortcomings as spontaneity, blindness, and stagnancy. Therefore, countries which practice a market economy invariably try to reduce its negative aspects through economic rules and regulations, policies, plans, and administrative measures which exercise macro-regulation. Our country's market economy was introduced under the conditions of the Communist Party leadership, the people's democratic dictatorship, the public ownership of the means of production, and distribution according to labor. Our country's market economy aims to raise economic efficiency, accelerate economic development, and meet the ever rising demands of the people for a material and cultural life. We firmly believe that under the socialist market economy and through long and arduous efforts the overall and partial, long and short-term, planning and market, micro and macro relationships will be better dealt with; that the two superiorities of market mechanisms and state intervention will be effectively put into play; and that the two great objectives of fairness and efficiency will be realized.

The establishing of targets for a socialist market economy is the result of emancipation of the mind; realizing those targets also requires emancipation of the mind. The change from a socialist planned economy to a socialist market economy is a fundamental change of the economic structure. This change has a bearing on the overall situation. It will not only deeply affect many aspects of the economic and cultural life, but will also bring changes to the people's value concept, lifestyle, and

ways of thinking. This requires a major and corresponding change in our thinking, management system, and leadership style. It is necessary for us to always take as our guide the theory on building socialism with Chinese characteristics; adhere to the ideological line of seeking truth from facts; and study new methods and constantly renovate in accordance to practical needs so as to bring about a smooth switch over of the economic structure.

The establishing of targets for a socialist market economy initiates a new phase of carrying out other supplementary reforms and of dealing with deep-rooted problems in our country's reform and opening up to the outside world. As the establishment of a new structure is an arduous and complex social project, it will entail a long process. Therefore persistent efforts as well as a sense of urgency are needed. Both enthusiasm and steadiness are called for, and major social upheavals should be avoided. While unified planning is important, it is also necessary to deal with things on a case-by-case basis, depending on circumstances. A market economy requires a main market body capable of making independent economic decisions; a unified and complete market structure; a timely and effective macro-regulation as well as a complete set of laws; a perfect social security system; and a large pool of talent which is not only competent but bold in reform, which is well-informed about the domestic and foreign situations, and which is good at operating and managing business. Unfortunately, our work in these areas is far from satisfactory. Hence arises the need for devising a general plan and for putting this general plan into practice in a planned and step-by-step manner. We should encourage bold exploration and innovation; absorb and utilize all achievements of foreign countries, including those from capitalist developed countries; and further bring the vanguard role of special economic zones into play and promote their experiences in other parts of the country by taking local situation into consideration.

Government Revives Finance, Economy Leading Group

HK1611061492 Hong Kong WEN WEI PO in Chinese 14 Nov 92 p 2

[Report by Chen Jianping (7115 1696 1627)]

[Text] Beijing, 13 Nov (WEN WEI PO)—Authoritative sources here have disclosed that, in order to strengthen the CPC's leadership over economic work and concentrate energy on vigorously upgrading economic work, the central authorities have decided to revive the Leading Group for Finance and Economics [LGFE], General Secretary Jiang Zemin will act as leader of the group, and Premier Li Peng and Vice Premier Zhu Rongji will act as deputy leaders. Members of the group include several members of the Political Bureau and vice premiers.

After the founding of the PRC, the CPC set up a finance and economics group in 1958, headed by Chen Yun.

However, it was abolished after the "antiright deviation campaign" of 1958. In March 1962, the Central Finance and Economics Group was revived and Chen Yun continued to act as group leader. It was abolished again during the Cultural Revolution.

In March 1980, the Political Bureau Standing Committee of the CPC Central Committee decided to set up a central LGFE with Zhao Ziyang as group leader, and Yu Qiuli, Fang Yi, Wan Li, Yao Yilin, and Gu Mu as members. Later, Zhang Jinfu joined as secretary general. The group was later abolished.

After the 14th CPC National Congress, in order to strengthen the CPC's leadership over economic work, concentrate the entire CPC's energy on developing the economy, which is to be taken as the center, and vigorously upgrade economic work, the central authorities decided to revive the central LGFE.

Scholar Discusses Needed Steps in Economic Reform

HK1611063092 Beijing CHINA DAILY in English 16 Nov 92 p 4

[Article by Liu Guogang, vice president of the Chinese Academy of Social Sciences: "Market Economy Gets Full Support"]

[Text] China's traditional planned economy is being replaced by the socialist market economy—and the whole nation has reached a consensus that the latter is much more efficient than the former.

The adoption of the new market economy is an attempt to swerve off the disastrous road that destroyed the former Soviet Union and to contribute to the theory of socialism.

The 14th Party Congress officially set the market economy as a goal and pinpointed where the country is on the long road of reform.

Since 1979, when the curtain was raised on reform, Chinese experts have been arguing about the goal of the reform. In fact, the long-standing argument has proceeded from the planned economy to the commodity economy and finally to the socialist market economy.

Before the reform, the planned economy dominated China. There was a market but it was greatly limited.

The controls began to be relaxed in December 1978 when the Third Plenary Session of the 11th Central Committee (of the Communist Party of China) supported the combination of central planning and market mechanisms.

In 1982, the 12th Party Congress put forward the slogan, "keeping economic planning in the main and market regulation as a supplement."

The concepts of commodity and market economies were still taboo, although in 1979, during a meeting with a deputy editor-in-chief of Encyclopedia Britannica, veteran leader Deng Xiaoping said socialism could adopt a market economy. But Deng's words were not published at that time.

In 1984, the Third Plenary Session of the 12th Central Committee disclosed for the first time that "a socialist economy is a planned commodity economy based on public ownership." It was a breakthrough in the theory of socialism and a springboard for the market-oriented economy.

But the definition of a planned commodity economy was still in dispute. Some people emphasized the "planned." For instance, a professor at the People's University said, "the planned economy should play a decisive role in the socialist economy." Meanwhile, some stressed "the commodity economy."

The 13th Party Congress, in 1987, did not answer the question of whether the planned or market aspect should be kept in the main. But it announced that "the State controls the market and the market guides enterprises." This indicated that the State authorities were leaning towards emphasizing the market role.

But this trend was halted in 1989 to begin a three-year austerity policy to curb double-digit inflation. State control became tighter and planning was emphasized. Meanwhile, the voice of the planned economy took the wind out of the market.

During the austerity period, an article that reflected the tenor of the times was published. It said, "the nature of a socialist economy is a planned economy."

In the last few years, arguments have centered on two points: whether to look to the market as the orientation of reform and whether to carry out the socialist market economy.

Those who opposed the market-oriented reform believed that the market-oriented reform meant a market economy, which, in their mind, was capitalist.

They also held that economic chaos such as the high inflation in 1988, market disorder and unfair social distribution were results of the over-emphasis on market forces.

Deng's speech in his South China tour early this year refuted the first argument.

To counter the second, more and more people think that chaos can be avoided after the fledgling market matures.

Meanwhile, it does not play with words to replace "commodity economy" with "market economy."

A commodity economy is the opposite of a natural (non-monetary economy). It admits the exchange of commodities.

A market economy is the opposite of a planned economy and is one way to allocate resources, including labour, materials, money and land.

Under the planned economy, the limited resources go to different departments according to the State's administrative decrees.

During the 1st Five-Year Plan period (1953-57), China reaped great achievements by using the planned economy. But later on the system became more and more inefficient.

Under the market economy, the allocation is based on the price fluctuations in the market, which results from the change of market supply and demand. The achievements in the last decade in the coastal areas are evidence that the bigger role the market forces play, the more fruitful are the results and the higher the efficiency.

But market mechanisms can also cause chaos. This is the reason why the central government emphasizes strengthening of macro-control while advocating a market economy.

Someone asked why we should put "socialist" before market economy.

Plainly, the adjective is to distinguish the socialist market economy from the capitalist one, while acknowledging the common natures of the two.

The major difference lies in that the systems on which the two market economies are based are different. The socialist one is based on a ownership pattern dominated by the public ownership and an income distribution system dominated by the principle of "to each according to his work."

In order to build up the socialist market economy, four [as published] steps should be taken in the next phase of reform.

- Deepen the enterprise reform. Enterprises should be further separated from the government.
- Develop various markets, such as labour, financial and land markets.
- Set up a social security system.

Economists See Rapid Growth as Continuing

HK1511025392 Beijing ZHONGGUO XINWEN SHE
in English 0638 GMT 14 Nov 92

[Text] Beijing, November 14 (CNS)—China's economy will continue to see quick growth next year and it is expected that the gross national product (GNP) will rise by between 12 percent and 13 percent in 1993, according to projections for the coming year made by economists.

The export made by the Chinese Academy of Social Sciences and experts and scholars from other economic departments said that China's economic growth in 1992 was moving upward in the economic cycle which will last

through the end of 1993 and will slow down in 1994. If properly handled, the GNP will maintain a 10 percent gain in that year.

The forecast shows that the GNP will grow by about 13 percent next year with a rise in the gross industrial output value expected to be 19 percent, with heavy industry rising by 23 percent and light industry by 17 percent. The growth rate for total agricultural output value will be between 3.5 percent and 4 percent, a rise the same as for this year.

Social fixed assets investment for next year is put at RMB [renminbi] 880 billion, 22.2 percent up from 1992. The retail price index will go further upwards with the price index for urban living expenses likely to reach a double digit figure.

The report, however, said that a rise in income this year would continue next year, reaching 16 percent. A gain in consumption will grow at the same pace as income growth.

It is expected that the gross retail sales value of social commodities will rise by 15 percent next year while the market for means of production will be generally brisk.

The savings deposits balance in the urban areas will grow by 21 percent next year and in the rural areas by 38 percent.

Newly increased loans will be valued at RMB 420 billion and currency put into circulation will reach about RMB 70 billion for the coming year. State financial revenue will see a gain of 14 percent while spending will increase by 15 percent. The deficit can be controlled at RMB 29 billion.

The report said that economic growth in 1993 will be slightly greater than in 1992 showing a further upturn. It is, however, considered normal when compared with a period of picking up after adjustment in the early 1980s. Termination of the three year-old rectification, a wave of reform resulting from remarks made by Mr. Deng Xiaoping on his visit to south China as well as important policies and measures for the economy put forward at the 14th National Party Congress, all gave great momentum to the pushing forward of economic development. If overall rapid growth in 1992 was considered a partial recovery, real growth at a quick pace will materialize in 1993, a phenomenon beneficial to economic prosperity.

The report, however, pointed out that problems still existed in the economy such as an irrational investment pattern, worsening industrial structure, serious duplication of construction, a sharp rise in prices for means of production and economic results of enterprises still to be improved. Macro regulation and control measures will have to be adopted next year to deal with such problems.

Report: Economic Situation 'Still Acceptable'

*HK1611145292 Beijing ZHONGGUO XINWEN SHE
in English 1415 GMT 16 Nov 92*

[Text] Beijing, November 16 (CNS)—A monthly report on the economic situation made public today by the State Statistical Bureau reveals that China's current national economic situation is between the yellow and red zones, a situation which is seen as still acceptable.

Comprehensive rating of the macroeconomic situation employs the use of several zones described in terms of various colours. "Blue" means a cold economy, while "light blue" means that the economy is comparatively cold. "Green" amounts to economic stability and "yellow" signals a trend towards overheating while "red" is equivalent to economic overheating. A macro-monitoring system indicates that China's economic operation fell into the green zone in the first half of the year.

The report said that as continuous rapid growth in heavy industry and a brisk sales market for light industry took place, industrial production rose by 22.4 percent last October compared with the same period last year, a gain of 3.1 percentage points over the average of the previous nine months, registering the fastest growth since the beginning of the year.

During the rapid growth in industrial production, non-state-owned enterprises maintained a greater rise. Industrial production of the collective-ownership sector grew by 36 percent last October, that of other ownership by 54.1 percent and that of state-owned industrial enterprises by 12.3 percent, showing a sign of steady growth.

An increase in investment in fixed assets last October proceeded at a faster pace with such investment by state-owned entities valued at RMB [renminbi] 45.8 billion, 43 percent up from the same month last year. Investment was put at RMB 287.2 billion between last January and October, a 37 percent gain over the same period last year.

Investment on renovation and transformation proceeded faster than growth in investment in basic construction. A real estate fever made possible continuous growth in investment in commodity housing. With the acceleration of construction of state key projects, an improvement has been made in the irrational investment pattern. Investment in energy, raw and processed materials and in traffic and transport was speeded up. Items newly under construction were large in number.

The report shows that China's current national economy developed positively with a better overall situation. No dramatic change is expected this year in such a pattern of high speed growth. As a result of the economy developing at a quick pace, ensuing problems, however, such as a tight supply of resources, a greater demand for currency in the market and soaring prices in urban areas should not be ignored.

The report points out that the state will adapt measures on fine regulation at the next stage in order to maintain the balance between general supply and demand while at the same time speeding up the strengthening of weak sectors in the national economy. Market regulation will be strengthened and uncontrolled expansion as well as irregular competition will be eliminated as early as possible.

State Council Proposes 'Rationalization of Prices'

HK1411075392 Hong Kong WEN WEI PO in Chinese
13 Nov 92 p 2

[Dispatch from Beijing by staff reporter Chen Chien-ping (7115 1696 1627): "The Central Government Plans to Establish a New Price System in Eight Years, and Lift Control Over Prices of All Goods that Can Be Lifted"]

[Text] Beijing, 12 Nov (WEN WEI PO)—According to an authoritative source here, the State Council adopted a scenario for price reform a few days ago, which requires that all prices that can be freed be freed and that a new price system be established in eight years.

The source indicated the scheme lays down principled regulations on commodities whose prices are controlled by the government and those whose prices will be gradually deregulated. On this basis a price operational mechanism with the market price as the main factor will be established.

According to the plan, the government will in the future only control the prices of commodities which fall into the following five categories.

1. Commodities or labor for which few people enter a competition but which have a great effect on political and social stability and the long-term development of the national economy, such as crude oil, natural gas, and a few rare metals.
2. Commodities which should not be open to competition, such as public transport service and water and gas supply in urban areas, electricity for people's daily life and for production, freight and passenger transport by rail, postal and telecommunications service, et al.
3. Residential units provided by the government for public servants and low-income residents.
4. Commodities of which the use is strictly controlled by the government, such as particular medicines, weapons, et al.
5. Important fees charged by institutions, such as fees for social security, publicly run education, and medical care.

The scenario states that prices of commodities or labor other than those mentioned above are determined by the market. Conditions will be created in the next few years for the gradual deregulation of following commodities usually placed under unified distribution: coal, edible oil, steel products, nonferrous metals products, products

of the basic chemical industry, heavy-duty machinery, cotton textiles, wood pulp, certain types of paper pulp (excluding the paper pulp for central media units), and contract farm produce including grain, cotton, tobacco, and silkworm cocoons.

The scheme calls for efforts to further form a rational price structure. Domestic prices for export commodities, especially prices of those imported commodities which account for a larger percentage of domestic consumption than the same products produced domestically, should be identical with their prices abroad. In the meantime, an effective price regulation and control system should be established.

According to the strategy for rationalizing prices laid down in the plan, in adjusting the general price level, the annual growth rate of retail prices will be kept at about 6 percent by 2000. In two to three years, those prices which should be deregulated will be; in three to five years, government-controlled prices will be rationalized; and in eight to 10 years, a new price system will be established.

The plan clearly points out that rationalization of prices aims at forming, through price reform, a market price system controlled by the government so that the price structure will lead to a rational allocation of resources. Therefore, at present, we must rationalize the prices of means of livelihood making the reform of energy prices, which are on the low side, serve as the dragon head; rationalize the prices of farm produce focusing on rationalizing purchasing and selling prices of grain; and rationalize prices of consumer goods and charges for daily services focusing on raising prices of public housing. The present charges for medical care, education, and housing are irrational, but rationalizing charges should go along with the reform of the wage system and improvement of wage rates.

Commentary Urges 'Strict Crackdown' on Fake Products

OW1411234292 Beijing XINHUA Domestic Service in Chinese 2108 GMT 12 Nov 92

[Commentary by "China's 10,000-Li March Toward Quality" commentator from the series entitled "Special Campaign To Crack Down on Fake Products in China's 10,000-Li March Toward Quality": "Leadership at Various Levels Should Pay Attention To Cracking Down on Fake Products"]

[Text] Beijing, 13 Nov (XINHUA)—Since the State Council urged cracking down on fake and shoddy commodities, most localities and departments have taken action. Some fake and shoddy commodities have been exposed and have been strongly condemned by public opinion.

However, we cannot but notice that crackdowns on fake products by a few localities and departments have not been launched realistically. They only made empty rhetoric without actually cracking down; they whipped up

public opinion without launching effective struggles, transforming "cracking down on fake products" into "faking the crackdown." To bluff and bluster, many of them published in newspapers several "old models" which have long been discovered. They have not really launched comprehensive and wide-ranging investigations and crackdowns on fake products, changing a "major crackdown" into "minor crackdowns." Other localities and departments have not strictly handled cases involving fake products, turning the "strict crackdown" urged by the central authorities into a "mild crackdown." Additionally, other localities have found it difficult to investigate and crack down on fake products; they could not even proceed with investigations and crackdowns on certain cases which had caused serious repercussions. They have encountered many obstacles and have been working in quiet isolation—turning these localities into a crackdown-free zone.

Various social circles are extremely concerned about these situations in the course of cracking down on fake products. They anxiously hope this struggle in cracking down on fake products—which concerns the personal interests of the masses of people—will warm up, gather momentum, and be more realistically launched so as to thoroughly expose and resolutely crack down on criminal activities involved in producing and marketing fake and shoddy commodities which are detrimental to society.

The key to whether more comprehensive and wide-ranging crackdowns on fake products can be launched lies in whether the leadership at various levels pays attention to the task. Previous experience in the earlier stage of cracking down on fake products shows that as long as local party and government leaders pay attention and have taken effective measures, then the localities concerned will produce smooth, progressive, and effective crackdowns. On the contrary, when leaders regard crackdowns solely as the business of related functionary departments, pay little attention, and ignore the problems and issues which appeared in the course of the crackdowns, then their activities will be isolated. Other leaders have even held that enterprises producing and marketing fake and shoddy commodities provide "good benefits" and "make money." Getting rid of them means cutting another source of income; therefore, they either passively handle or surreptitiously boycott the crackdown campaign. Hence, it is more difficult to launch crackdown campaigns in such localities. Past experience shows that to intensify the crackdown on fake products, it is necessary to first strengthen the leadership's concept of cracking down on fake products. We should realize that cracking down on fake products is a major event for eliminating a hidden peril in our drive for economic progress and for ensuring healthy development in China's socialist market economy. We should strictly guard against the greed for ill-gotten wealth, and should resolutely establish the concept of getting rich through legitimate operations. It is necessary to strive to overcome local protectionist ideas, establish the concept of

considering the overall situation, and realistically strengthen leadership over the crackdown campaign.

The party's 14th national congress has specifically proposed that the objective of our economic reform be to establish and develop a socialist market economy. Establishing and safeguarding a normal market order is very important for the realization of this goal. How can we speak of fair competition if we allow fake products to be uncontrolled? How can we speak of improved market mechanisms without proper competition? Therefore, not only is cracking down on fake products unalienated from the guidelines of the 14th CPC National Congress; on the contrary, it is precisely an important measure for realistically implementing those guidelines. While doing their work, the leadership at various levels should naturally give due consideration to such matters that are popular to people on one hand and conducive to enhancing reform and progress on the other.

Free Trade Zones Showing Rapid Development

OW1311133592 Beijing XINHUA in English 1259
GMT 13 Nov 92

[Text] Tianjin, November 13 (XINHUA)—The eight free trade zones in coastal China have achieved remarkable progress in land development, construction of infrastructures and attracting overseas investment, according to Chinese officials.

As an important move to enlarge its opening to the outside world, China has decided to establish eight free trade zones in Dalian, Tianjin, Shanghai, Zhangjiagang, Futian and Shatoujiao of Shenzhen, Guangzhou, and Haikou, along the coastal line from the northeast to the south.

Zhao Qizheng, vice-mayor of Shanghai which established China's first free trade zone, said that China's modernization program needs a number of most developed cities to become internationalized. The free trade zones which converge with international market can serve as the bridge linking Chinese and outside world economy.

Wang Haiping, deputy head of the Tianjin free trade zone administration, said that compared to special economic zones (SEZs) in the 1980s, the free trade zones enjoy more preferential and flexible policies, with free flow of goods, foreign exchange, personnel and labour.

"Foreign investors can accomplish the projects which are limited in other areas, including SEZs and development zones," he said.

As the front linkage between Chinese economy and the world economy, free trade zones will play an important role in pushing forward those cities to enter the international market.

The free trade zones will follow similar models in foreign countries, first to make it easier for foreign goods to enter the Chinese market.

The first commercial bonded warehouse (CBW) in Tianjin is full of goods such as farm chemicals and automobiles for the Chinese market. Hundreds of foreign trade companies are undertaking business like consignment, entrepot and storage. Some foreign enterprises, such as Borneo Samatra of Britain and Baxter of the United States, even want to move their stored goods from Hong Kong to the Tianjin free trade zone.

Tianjin will serve as a port for entrepot trade. Since the commercial bonded warehouse was put into operation, the Tianjin free trade zone has become a terminal for export of goods from Northeast Asia.

Furthermore, no problem in the balance of foreign exchange exists in the free trade zones as in the early period of SEZs or development zones, and no control of or restriction on free flow of foreign exchange exists, which is convenient for foreign businessmen.

In the free trade zones, foreign businessmen are allowed to undertake primary or high-tech processing, while Chinese enterprises inside can gain management rights for foreign trade.

The free trade zones came into being in China no more than two years ago. Thanks to their special policies, they have attracted a great number of Chinese and foreign investors.

The three free trade zones of Dalian, Tianjin and Shanghai have approved over 600 projects with a total investment up to one billion U.S. dollars.

Some world-famous companies and syndicates, such as Mitsui and Itochu of Japan, and New World Development Co. Ltd. of Hong Kong, have invested in these zones.

Chinese officials said that three more free trade zones will be approved soon in Qingdao, Ningbo, and Mawei of Fuzhou.

XINHUA 'Special Line' for Financial News

OW1411081892 Beijing XINHUA in English 0804
GMT 14 Nov 92

[Text] Beijing, November 14 (XINHUA)—China's official XINHUA NEWS AGENCY has opened a special line for financial news, which is accessible to computer networks and fax machines of information users nationwide.

The special line offers major financial information from all over the country and that gathered from overseas, especially from Europe, the United States, Japan and China's other neighboring countries and regions.

The information covers investment, finance, foreign currencies, stock markets, insurance, real estate and the use of overseas investment.

China's financial institutes, including the People's Bank of China and other major banks, the State Administration of Exchange Control and the People's Insurance Company, contributed to the establishment of the special line.

XINHUA Reports on Stock Exchange Turnover

OW1411095192 Beijing XINHUA in English 0930
GMT 14 Nov 92

[Text] Beijing, November 14 (XINHUA)—Prices in the Shenzhen Stock Exchange kept dropping five days in a row this week. At the close on Friday, the index stood at 189 points, registering a loss of 25 points over the previous week.

A total of 25.239 million shares traded this week, the turnover was 493 million yuan.

The diving trend of Shanghai share prices continued this week. The index fell to 388 points, the lowest since the Shanghai Stock Exchange opened about two years ago. More conspicuously, for the first time, prices of three "A" shares dropped below their issuing prices, [punctuation as received]

The index closed, however, at 414.09 points on Friday, 42.96 points less than last week.

Observers say it is still too early to say that the prices have fallen to the bottom or the market is likely to rebound, as most of the traders now are institution share-holders who have bought in response to the call of the market administrators to support the market.

If these investors withdraw from the market because they are short of cash while the private investors still stand aside watching, the bounce-back will hardly occur, they said.

Labor Minister: Income Disparities 'Inevitable'

HK1611031692 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0917 GMT 11 Nov 92

[Text] Beijing, 11 Nov (ZHONGGUO TONGXUN SHE)—In an interview with a ZHONGGUO TONGXUN SHE reporter not long ago, Labor Minister Ruan Chongwu said that disparities in income are inevitable under the conditions of a market economy. People with better conditions, opportunities, and abilities would certainly receive higher incomes, and vice versa.

Ruan Chongwu said that unity of thinking had eventually been reached at the 14th CPC Congress on the theory of a market economy, which has been the focus of controversy over the years. This is theoretical progress and the result of practice over the years. Under the conditions of a market economy, disparities in income are inevitable. Under such circumstances, we cannot merely rely on the market to improve the living standards of all of the people by varying degrees. We should

also rely on social policies and government administration. In view of the income disparities which might occur in the future, the important thing is to strengthen taxation management, particularly in the second profession.

Ruan Chongwu said that taxation policy actually indicates what a state encourages and restricts. Current taxation concerning state-owned enterprises, such as wages tax and capital tax, are irrational and have restricted state-owned units. In addition, the establishment of a social insurance system is in progress. Ruan stressed that an insurance fund for the elderly cannot be used for reinvestment. As it is a fund for retired people to support themselves, efforts should be made to maintain and increase its value. [sentence as received]

Migrant Workers Said 'Flocking' to Beijing

HK1611023192 Hong Kong SOUTH CHINA MORNING POST in English 16 Nov 92 p 10

[Report by Dede Nickerson]

[Text] Migrant workers are flocking to Beijing in search of money, and the floating population in the nation capital, estimated to be more than one million, is continuing to grow.

The largest of the provincial groups living in Beijing comes from the coastal province of Zhejiang. Residents of the so-called "Zhejiang Village" in southern Beijing believed there were between 200,000 and 300,000 people from their province living in the capital on a temporary basis.

Much of this population consists of young people between the ages of 13 and 17 who have left school in an effort to make money and raise the standard of living of their families when they return home.

These young workers hardly see the light of day as they spend most of their time at sewing machines or sleeping in the same small rooms in which they labour.

One 12-year-old girl who was looking after her two-year-old niece and working with her 15-year-old brother said: "Of course we miss our home, but we need to make some money."

She had dropped out of school last year to move to Beijing with her two older brothers, sister-in-law and niece.

The five lived in a dirty, one-room apartment and shared one bed. The room also served as their work space. Their four sewing machines were kept busy making clothing labels.

Most of the adolescents who come to work as well as the small children who join their parents cannot go to school in Beijing as they do not have a residency permit.

But the children of people running the small sweat-shop operations are more fortunate in some cases.

"My parents pay 500 yuan (HK\$694) a year and I can attend school here in Beijing," said an eight-year-old boy who came from Hangzhou, Zhejiang's provincial capital.

His parents have a small shop in the village which produces leather jackets for stores in Xidan and Wangfujing, two of the largest shopping areas in downtown Beijing. Most of the young workers who produce the clothing do not see the stores in which it is sold.

"We simply work and sleep. I have never seen the Forbidden City or the Summer Palace and probably never will. I am here to earn money and after I do, I will go back," said a 17-year-old female worker.

"At home I made 150 yuan per month working as a store clerk, here I will make almost 600 yuan per month," she said.

But she said she was not sure exactly how much she would earn as many of the workers didn't get their full salary until the end of the year and the salary depended on how much of what they produced was actually sold.

Some of the migrants stay on for quite some time and manage to obtain temporary residence permits making their stay in Beijing legal.

Commentator on Central, Western Economic Growth

HK1311085892 Beijing RENMIN RIBAO in Chinese 6 Nov 92 pp 1, 2

[Commentator's article: "Making Differential Developments, Marching Forward Hand in Hand—Further on Speeding up Development of Township and Town Enterprises in Central and Western Regions"]

[Text] On 30 March this year, this newspaper published a commentator's article and raised the problem of growth of township and town enterprises in different regions in China being uneven and the necessity of speeding up the development of township and town enterprises in the central and western regions. The development of township and town enterprises throughout the country since the beginning of this year have, overall, two characteristics: 1) Township and town enterprises, be they in the eastern, central, or western regions, have been developing at an obviously accelerated pace. This is a universally acknowledged good situation. 2) The gap between the central-western and eastern regions is widening further. This sparked more extensive discussions among people and the demand for a speedy development of township and town enterprises in the central and western regions was steadily rising. In the face of the new situation and new problems, it is necessary for us to further establish the guiding idea of making differential developments and marching forward hand in hand in terms of the strategy for the regional development of township and town enterprises.

In the 14 years of reform and opening up to the outside world, three different growth levels have obviously emerged in China's economy in the eastern, central, and western regions. The difference in growth levels of township and town enterprises in the different regions is relevant to the overall difference emerging in the national economy. We admit this is a fact, but there is no need for us to worry about it. It is not a bad thing that differences exist in the general pattern of China's economic development or that the regions have different economic levels. In terms of the laws governing development, without differences there could not be faster and better development. Why so? It is because ours is indeed too big a country. Regions differ too vastly in development bases, conditions, and environmental terms. Naturally it is good, but unrealistic, to imagine that all parts of the country can go forward at the same speed and the 1.1 billion people achieve prosperity at the same time. Past experience has proved that if people are tied together and the practice of taking from the fat to pad the lean is pursued, this will make the rich poor and the poor poorer. It is precisely on the basis of this lesson that we have gradually formed a strategy of differential development in the course of reform and opening up. To put it another way, regions with different conditions are encouraged to develop themselves at different speeds and those regions where conditions are ripe are encouraged to take off economically ahead of others.

Comrade Deng Xiaoping has made many brilliant expositions on differential development strategy. As early as when reform was first launched, he pointed out: "Our economic policy must allow some localities, enterprises, and workers and peasants to earn more and become better off before others through hard work." He said that this was a policy of great importance which could influence and bring about the development of the national economy as a whole. In the talks he delivered at the beginning of this year when he toured south China, he pointed out once again: "Where conditions permit, some localities should develop ahead of others while others can develop a bit more slowly. Those which have developed ahead of others should bring along those which develop late to eventually achieve common prosperity." In the 14 years of practice, township and town enterprises in the eastern region have taken the lead in achieving development and township and town enterprises in the central and western regions are also developing at an accelerated pace. The reason for the gap between them is not that the rich have become richer while the poor have become poorer but that their rates of achieving prosperity are different. Facts have proved that the strategy of differential development is correct.

In his report to the 14th CPC National Congress, Comrade Jiang Zemin pointed out: "China is a sprawling country. Conditions differ greatly from place to place and the state of economic development is uneven in various places. Guided by the state's centralized planning, all localities should rationalize their economic structures and bring about sound economic development

by following the principles of doing what is locally appropriate, sharing responsibilities, demonstrating each other's strengths, supporting each other using one another's superiority in resources, and achieving common development." By affirming the strategy of differential development, we mean only affirming the difference "in the rate of achieving prosperity" rather than advocating polarization in which "the rich get richer while the poor become poorer." So, township and town enterprises in the eastern region, where conditions are ripe, should develop as quickly as possible, make great efforts to develop an export-oriented economy, and help their counterparts in the central and western regions to open new avenues for development. On the other hand, the economically backward central and western regions should not be deserted. In accelerating the development of township and town enterprises in the central and western regions, one important thing to do is to ensure that the eastern, central, and western regions, and the rich and poor regions, should go forward hand in hand.

The central and western regions should continue to carry forward the fine traditions of making unremitting efforts to improve themselves and of plain living and hard struggle to effectively develop township and town enterprises as they persistently carry out the contract responsibility system on a household basis with remuneration linked to output, thus uplifting agriculture to a new level in those years. Comrades in the localities which have developed before others should be a little more far-sighted and help the backward areas to develop faster. This is also a need for the rich areas to develop themselves. The central and western regions constitute 89 percent of China's territory, 64 percent of its population, and most of its resources. If such vast regions are unable to prosper, the eastern region will lack ample resources to prop them up and markets for expansion and its further expansion will thus certainly be hamstrung.

Township and town enterprises in both the eastern and central-western regions should develop hand in hand along the orbit of the socialist market economy. By the orbit of the socialist market economy, we mean that more economic belts should be set up in different localities with different economic levels, operating in accordance with the laws governing the economy itself and working for interests. Since the central and western regions differ in conditions from the eastern region, they should use the latter's experience for reference and try to avoid detours as far as possible rather than competing for higher growth with, and taking the same road as, the latter. Both eastern and western regions have their own strengths. Through many years of practice, people have reached a consensus of understanding on this point. The problem at present is that we should act and establish a relationship of supporting each other using one another's superiority in resources. The opening of the Euro-Asian Continental Bridge, and the establishment of the economic zone along the banks of the Chang Jiang, have provided very good opportunities for township and town

enterprises in the eastern and central-western regions to develop hand in hand on a large scale. While striving to enter world markets, the coastal areas also have their eyes focused on the hinterland areas. While gearing themselves to the needs of the coastal areas, the hinterland areas also have their eyes focused on their neighboring countries. The cooperation between different regions, provinces, and enterprises has developed very rapidly. With this good momentum, township and town enterprises in the eastern and western regions are encouraged to be bolder in developing themselves. Overall, however, township and town enterprises in the central and western regions have a relatively low level of development and comparatively poor conditions. Therefore, township and town enterprises in the eastern region have the responsibility to make greater efforts to help the backward areas while engaging in cooperation and competition.

Differential development and marching forward hand in hand are the two aspects of the issue. Without differential development there would be no faster development. Without joining hands, going forward better together would be out of the question. It is wrong to give one-sided stress to any one of the two aspects. In terms of the current situation, township and town enterprises in the eastern coastal areas have a vigorous momentum for faster development. This being the case, expediting the development of township and town enterprises in the central and western regions has become more urgent and pronounced. Marching forward hand in hand is not a matter for township and town enterprises in the eastern regions alone. State-owned enterprises, government departments, and opinion and theoretical communities also have responsibilities to shoulder in this regard. We should be more concerned about the central and western regions so that township and town enterprises in the regions, and even their overall economies, will develop as quickly as possible.

Vice Minister on Irrigation Project Progress

*OW1411115992 Beijing XINHUA in English 1155
GMT 14 Nov 92*

[Text] Beijing, November 14 (XINHUA)—After a heavy flood in its southern part last year, China is investing more than before this year in building water conservancy projects.

Zhou Wenzhi, vice-minister of water resources, said that by the end of October, about 40 million people have been mobilized throughout the country to build or repair such projects.

Speaking today at a press conference, the official said the irrigation conditions of 450,000 ha of farming land were improved, 100,000 ha of waterlogged land drained and 2,900 square kilometers of land suffering from water and soil erosion also put under control.

Zhang said the whole society, which drew lessons from last year's devastating flood in south China, is more conscientious than before in building or repairing water conservancy projects.

A circular issued by the state council recently urged local governments to do a good job in repairing or building water conservancy projects this winter and next spring.

Water Conservancy Drive Reported

*OW1511100892 Beijing XINHUA in English 0905
GMT 15 Nov 92*

[Text] Beijing, November 15 (XINHUA)—A winter water conservancy drive has spread throughout China, reaching a high tide in some areas.

China is a country suffering great from flood and drought and Chinese farmers tend to build irrigation works and other farmland improvement projects in winter.

By the end of October, 40 million people had turned out in the drive, moving one billion cubic meters of earth and stone work, improving irrigation conditions for 100,000 ha and stopping soil erosion on 2,900 square kilometers.

The new method of "those who benefit pay" has been adopted to raise funds for engineering projects. As a result, some 1.68 billion yuan of irrigation funds have been raised annually in 700 counties in the country. Over the past few years, Heilongjiang Province in northeast China has provided loans totalling 230 million yuan for building irrigation works.

Jiangxi, Hunan, Fujian and Zhejiang Provinces are rebuilding irrigation works destroyed by last year's floods, while provinces in northeastern China are devoting major efforts to building water lifting and water storing projects for next year.

Ministry Discloses Water, Soil Erosion Figures

*OW1411130992 Beijing XINHUA in English 1258
GMT 14 Nov 92*

[Text] Beijing, November 14 (XINHUA)—About 3.67 million square kilometers [sq km] out of China's 9.6 million sq km of land suffers water and soil erosion, an official from the Ministry of Water Resources said here today.

Zhang Yue, director of the ministry's Department of Rural Water Conservancy and Soil Conservation, said the figure is based on satellite pictures and field survey results.

He said the figure results from the compilation of the first complete statistics about the country's water and soil erosion.

According to Zhang, about 1.79 million sq km of the 3.67 million sq km of land suffering water and soil

erosion was caused by flood water and rain. Some 1.88 million sq km suffer erosion by wind.

The survey was conducted between 1984 and 1989 by departments under the ministry and three colleges specializing in the use of remote sensing technology and water and soil conservancy.

Zhang said despite the serious situation of water and soil erosion, China has been fighting the problem since 1949 when the People's Republic of China was founded. A total of 530,000 sq km of land suffering water and soil erosion has been taken under control.

An incomplete survey in the 1950s, excluding six provincial areas, such as the Xinjiang Uygur Autonomous Region which covers 1.6 million sq km., the Tibet Autonomous Region and Taiwan province, showed that only 1.53 million sq km of land suffered water and soil erosion.

'Billions of Cubic Meters' of Gas Found in Sichuan

*OW1411090992 Beijing XINHUA in English 0825
GMT 14 Nov 92*

[Text] Chengdu, November 12 (XINHUA)—Ten gas wells have recently been drilled in the eastern part of southwestern China's Sichuan Province and a large gas structure with an estimated gas reserve of tens of billions of cubic meters was found in the area.

The area is located in the mountains which have a complicated geologic structure. China has adopted new technology to prospect the area since 1988.

Sichuan Province is the main gas production base of the country, which produces more than six billion cubic meters of gas, accounting for 40 percent of the total of the country. Meanwhile, 40 percent of the province's total output comes from the eastern part of the province.

East Region

Anhui Governor on Accelerating Reform

OW1511160192 Beijing XINHUA in English 1505
GMT 15 Nov 92

[Text] Beijing, November 15 (XINHUA)—East China's Anhui Province has gained a complete success in fighting the floods that had occurred in summer of 1991 and in subsequent disaster-relief endeavors, Governor of Anhui Fu Xishou said in an interview here with XINHUA.

Fu said that the province's economy has fully recovered from the after-effects of the scourge and entered a stage of speedy development, and the 57 million Anhui people have now exerted themselves to the opening and reform effort.

The 1991 floods of Anhui Province, which had been rare in this century, incurred a direct economic loss of 27.5 billion yuan with farmlands inundated, houses collapsed, and factory production stopped.

The Chinese Government promptly organized the efforts for floods-relief and reconstruction, while countrymen at home and people of Chinese ancestry residing overseas provided large amounts of money and materials to the flood-ridden area. So local people rehabilitated soon and they neither went hungry nor suffered from any epidemic diseases.

Fu noted that the province's industrial output value rose by 19.5 percent from January to October this year over the same period of last year, an all-time high in the past five years; and a bumper grain harvest was reaped this year. Anhui Province, both in its urban and rural areas, is seething with enthusiasm today.

The governor gave an account of the plans of his province for economic development after the 14th national party congress. He listed measures to be taken concerning the changing of enterprise management mechanism, opening to the world, rural enterprises, finance, the integration of science and technology with economy, experiments on share-holding system and price reform, so as to comply with the demands of socialist market economy.

Experiments on switching management mechanism have been carried out in over 640 enterprises, of which some 240 are large and medium-sized enterprises, or 55 percent of the province's total. As for price reform which is well under way, the prices of more than 220 commodities and fees have been readjusted since early this year. Prices for grain and edible oil are all regulated by the market in some cities, and the experience will be spread to the whole province before long, according to Fu.

Share holding system has been ratified to be introduced in the Ma'anshan Iron and Steel Company, the province's largest enterprise, and its stock is expected to be issued soon.

Moreover, he noted, the province had approved the establishment of 454 foreign-funded enterprises by the end of October, involving a combined overseas investment of 220 million U.S. dollars, twice the sum accumulated in the previous years.

Construction of the Wuhu Economic and Technological Development Zone and the Hefei High, New-Tech Industrial Development Zone is progressing, attracting many foreign businessmen with large sums of foreign funds, Fu added.

On its future development, Fu said his province is traversed by the Yangtze River with a section of more than 400 km, and it has the industrial cities of Wuhu, Ma'anshan, Tongling and Anqing along its banks, which are suitable for building foreign-oriented economy.

Furthermore, abundant tourist resources in the Huangshan Mountain, and good accesses to air and land transport facilities in the province also contribute to the acceleration of its opening and reform, the governor said.

Xiamen Takes Steps To Develop Market Economy

OW1611125692 Beijing XINHUA in English 1225
GMT 16 Nov 92

[Text] Xiamen, November 16 (XINHUA)—To meet the demand for developing an export-oriented economy, Xiamen city, in east China's Fujian Province, has gradually expanded the coverage of market adjustment, and thus injected fresh blood into its economic arm.

Last year, overseas-funded enterprises contributed more than half of the general industrial output value of the city, including an 80 percent share of the total industrial products export value of the city.

So far the municipal production plan has decreased its coverage to only 50 categories compared with 100 in 1980.

In the past few years, the state has provided all production materials for state industrial enterprises, but now about 90 percent of the same materials will be bought on the market.

Presently products produced under mandatory plans have decreased to less than three percent of the city's industrial output value.

Enterprises in the city now have to find ways to sell their products on the market, though in the past few years state commercial sections have had the responsibility to sell the products for them.

To help change the management mechanism in state enterprises, Xiamen has established new taxation, stock-holding, annexing and transmission systems.

Moreover, the city has initially set up markets concerning production materials, finance, labor force, real estate, technology, and information consultation.

By the end of last year, these markets had lent and borrowed funds of 6 billion yuan (about 1.09 billion U.S. dollars) and regulated 3 billion U.S. dollars in foreign exchange.

In the meantime, more than 180 real estate development enterprises have been opened and about 1,000 technologies transference contracts have been signed on the markets.

The city has also extended market-adjustment to production materials and prices of grain and edible oil, and as a result, over 95 percent of the general volume of retail sale commodities is adjusted by markets.

To further promote market economy and reform the government's outdated systems, the municipality has adopted new measures.

Some large and medium-sized state enterprises and well-managed overseas-funded enterprises will be changed into standard stock-holding enterprises, according to government officials.

State-owned assets will be trust-managed, overseas businessmen will be encouraged to continue cooperation with state enterprises, and they will be allowed to buy, to contract to manage, and to lease poorly-managed state enterprises, the officials said.

Stock transactions will be promoted with the clearing of the restrictions regulating foreign exchange. Overseas-funded banks will be given more flexible management rights. Policy-concerned loans and commercial loans will be divided, with the interest rates set by both government plans and market conditions.

Production materials transaction centers and some professional markets will be perfected, officials said.

Reform on the social insurance system will also be conducted. Government investment will be cut down on those which have no relationship with public affairs.

Government departments will give management rights directly to enterprises and will not interfere with sales-supply-production works in enterprises, meanwhile setting up some economic entities in the tertiary industry, according to the officials.

Jiangxi Capital Holds Foreign Business Talks

HK1311133392 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 8 Nov 92

[Text] Nanchang City's first foreign business canvassing and capital importation talks opened this morning at Jiangnan Minlou Qinhuang Pavilion. So far, this is the largest round of talks in our province to involve foreigners in recent years.

Provincial leaders, such as Mao Zhiyong [provincial party secretary], Wu Guangzheng [governor], Liu Fangren [deputy provincial party secretary], Zhu Zhihong

[deputy provincial party secretary], Lu Xiuzhen [provincial party committee standing committee member], Ma Shichang [provincial party committee standing committee member], Shu Shengyou [provincial party committee standing committee member], [Peng Chunsheng], Xu Qin [chairman of provincial people's congress], Wang Zhongfa [vice chairman of the provincial people's congress], Zhou Zhiping [vice governor], Wu Ping [chairman of the provincial Chinese People's Political Consultative Conference], Yang Yongfeng [vice chairman of the provincial CPPCC], and Jiang Zhongping [mayor of Nanchang], as well as some 500 national and overseas guests, gathered happily to celebrate the opening of the talks.

Provincial party Secretary Mao Zhiyong and Governor Wu Guangzheng cut ribbons for the talks.

Nanchang's first foreign business canvassing and capital importation talks are a major measure taken by the city to seriously implement the 14th party congress' spirit, view economic construction as the central task, and expand opening up to the outside world in an omniposition and multilevel manner; it is a meeting to develop economic cooperation, scientific and technological exchanges, and trade interactions.

Since this year, Nanchang has seriously implemented the spirit of Comrade Deng Xiaoping's southern tour speech. The trend in opening up to the outside world, canvassing business, and importing funds has been very good. More and more businessmen at home and abroad have come to invest in Nanchang and run enterprises here, so there has been a good trend in importing projects, signing contracts on foreign capital use, injecting actual funds, and securing simultaneous growth. From January to October, the whole city has approved more than 250 contracts on the utilization of foreign capital, surpassing the total in the past 14 years, and the situation was very gratifying.

At these talks, Nanchang has selected some 1,000 projects from more than 10 trades, such as machinery, light industry, textile, chemical industry, electronics, construction materials, medicine, agriculture and animal husbandry, real estate, and tertiary industry, for talks with the participating guests, trying out various methods, such as joint venture, cooperation, sole proprietorship, and compensated trade.

At the talks this morning, Cui Suming of the Bank of China Hong Kong and Macao Administration, Li Shaoxing of Thailand's Chia Tai Group, Yao Hsi-wu of Taiwan's Chung Hsing Group, Wang Huaxiang of the Hong Kong Association of Jiangxi Townspeople, Zhu Zhiren of Hong Kong's Lijian Company, and Sun Shixian of Hong Kong's Shao Ya Group, made speeches.

After the meeting, the provincial and city leaders joined the guests in a visit to the exhibition of famous, special, and quality products in Nanchang.

Shandong Secretary at CPC Committee Plenum

*SK1411041192 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 12 Nov 92*

[Text] After satisfactorily fulfilling all tasks, the four-day ninth expanded plenary session of the fifth Shandong Provincial CPC Committee successfully concluded at Nanjiao Guesthouse in Jinan on 12 November.

During the session, the participants conscientiously studied the guidelines of the 14th CPC National Congress and the first plenary session of the 14th CPC Central Committee. They also conscientiously discussed and examined, in line with the province's realities, the discussion draft offered by the provincial party committee on the resolution concerning studying and implementing the 14th CPC National Congress guidelines.

Amid the democratic and united atmosphere, the participants each aired their own views freely and revised the resolution word by word and sentence by sentence. They unanimously maintained: This resolution is in keeping with the congress guidelines and with Shandong's realities, and is a good document guiding all items of Shandong's work at present and during the foreseeable future. As long as we work hard in line with the congress guidelines and with the provincial party committee resolution, all of Shandong's work will certainly embark on a new stage.

At 0900 on the morning of 12 November, amid warm applause, the participants unanimously adopted the provincial party committee resolution on studying and implementing the congress guidelines. This resolution falls into four parts and embraces 36 articles. The first part is entitled Profoundly Studying and Comprehending the 14th CPC National Congress Guidelines, Seeking Unity of Ideas, and Enhance Understanding. The second part is entitled Accelerate Economic Development and Strive To Embark on a New Stage Every Several Years. The third part is entitled Speed Up the Pace of Reform and Opening Up and Instill New Vigor and Vitality to Economic and Social Development. The fourth part is entitled Further Strengthen the Building of the Party, Democracy, the Legal System, and Socialist Spiritual Civilization.

In light of the situation that some posts of fifth provincial party committee members fell vacant, the session adopted, in line with the party Constitution stipulations, the decision of the Ninth Plenary Session of the Fifth Shandong Provincial CPC Committee on filling vacancies, in the proper order, of provincial party committee members, deciding to fill the vacancies in the proper order with fifth provincial party committee alternate members (Yang Yongchang), (Wang Yuchun), (Wu Lianxiang), (Wang Guoqing), Wang Zonglian, and Wang Jiazheng.

Jiang Chunyun, secretary of the provincial party committee, made an important speech at the session's conclusion. He said: Now, major principles and policies

have been decided and goals and tasks have been defined already. The key lies in conscientious and practical implementation of the congress guidelines and the various tasks offered by the provincial party committee resolution.

In his speech, Jiang Chunyun made a profound exposition of the issues on emancipating the mind, working out goals, deepening reform, expanding opening up, invigorating Shandong through science and education, grasping both economic construction and ideological and political work, strengthening party building, and improving the level and art of leadership.

He pointed out: Since the issuance of Comrade Xiaoping's important speeches made during his inspection tour of south China early this year, the ideology of party members and cadres throughout the province has become unprecedentedly vivid, their understanding has undergone a new leap, and the emancipation of their minds has entered a new stage. This should be fully affirmed. However, we should never maintain that our minds have been emancipated very much, or have been emancipated enough. Generally speaking, the failure in fully emancipating our minds and in rapidly changing our concepts remains the major obstacle to the province's reform, opening up, and economic development.

In his report to the 14th CPC National Congress, Comrade Jiang Zemin made a systematic summarization and exposition of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and definitely set forth the demand of building the socialist market economic structure. This is a new leap in the understanding of the whole party and a major breakthrough in the theory and thus will certainly bring about a revolutionary change to China's economic and social undertakings. To unite our ideas and understanding with the 14th CPC National Congress guidelines and with the demand of developing the socialist market economy, we must further emancipate our minds, renew our concepts, and change our brains. In other words, we must break with the outmoded ideas, concepts, habits, and modes of thinking cropping up in the long-standing environment of the natural, product, and traditional planned economies. We must foster new ideas, viewpoints, and modes of thinking that are suitable for the demand of developing the socialist market economy. We should profoundly comprehend and understand the necessity, importance, and arduousness of changing from the planned economy to the market economy; should enhance our senses of mission, urgency, and responsibility; and should positively and enthusiastically realize such a change.

Comrade Jiang Chunyun pointed out: In emancipating our minds, we must persistently seek truth from facts. They are united with each other. On the one hand, we should continuously overcome the influence from leftist ideas, the old traditional concepts, and the idea of small-scale production. We should also dare to break with the trammels of all outmoded rules, regulations,

and models that hamper the development of productive forces so that we can realize a new leap in ideas and understanding and attain the goal of daring to try everything that is suitable for Comrade Xiaoping's principle of being conducive to developing the socialist productive forces, to strengthening the comprehensive strength of the state, and to improving the people's living standards. On the other hand, we should guard against being hot-headed and against acting rashly and blindly in defiance of objective realities. We should successfully grasp the dialectics of being cool- and hot-headed. We should pay attention to discovering the problems which will probably become a trend, and should prevent and overcome such problems in a timely manner. We should successfully protect, guide, and exploit the rising enthusiasm of the broad masses of the people to prevent sharp rise or fall in the economy and maintain a rapid, stable, and coordinated development of the economy.

Comrade Jiang Chunyun stressed: In arming our brains with the theory of building socialism with Chinese characteristics, the most essential thing is to persist in the party's basic line for 100 years. This is the most reliable guarantee for enabling our socialist undertakings to withstand the test of difficulties and risks and to be in an invincible position forever. Party organizations at all levels and the vast numbers of party members in the province, leading cadres at all levels in particular, should conscientiously study Comrade Deng Xiaoping's ideas and theory, comprehend the congress guidelines, arm their brains with the guidelines, and strive to improve the party's art of ruling and leading the country to continuously push forward the province's economic and all other undertakings.

The enlarged plenary session demanded: The large numbers of party members, cadres, and the masses in the province should closely rally around the party Central Committee, with Comrade Jiang Zemin as the nucleus; hold high the great banner of building socialism with Chinese characteristics; firmly and unswervingly implement the party's basic line; be brave in blazing new trials; work hard to make progress; further speed up reform, opening up, and modernization; and work hard to fulfill all tasks set forth by the 14th CPC National Congress and by the enlarged plenary session of the provincial party committee.

Zhao Zhihao, deputy secretary of the provincial party committee and governor, presided over the plenary session held on 12 November.

Shandong Methods To Change Enterprise Mechanisms

SK1511075592 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 14 Nov 92

[Text] On 13 November, Governor Zhao Zhihao signed the 38th order of the provincial government, issuing Shandong Province's methods to implement the State Council's regulations on changing the state-owned industrial enterprises' operational mechanisms with a view to

ensuring the implementation of the enterprise law and the regulations and to rapidly changing the operational mechanism of the province's enterprises.

With the 14th CPC National Congress' spirit as the guide, in line with the demands of speeding up reform, opening up, economic construction, and building the socialist market economic structure, and in combination with the province's realities, the methods have provided additional plans and stipulations for the regulations; and have specifically defined the orientation, goals, tasks, and measures on changing enterprises' operational mechanism under the new situation. The methods have four conspicuous characteristics:

First, new breakthroughs have been made in delegating operational powers to enterprises. The methods have provided even more definite and specific stipulations for implementing the enterprise law and the 14 operational powers delegated to enterprises by the regulations. In particular, the methods have provided some pioneering stipulations for the conspicuous problems and major contradictions cropping up in the course of giving enterprises the power to make policy decisions for their production and management, power to decide the prices of their products, power to decide their import and export items, to manage their personnel, to employ their laborers, and to distribute their bonuses. For instance, except for the State Council and the provincial government's planning department, no city, prefecture, county, or department is allowed to assign or add mandatory quotas to enterprises. Unless authorized by the provincial government, no city, prefectural, or county price or trade responsible department is allowed to decide the prices of products. Export products prices should be jointly decided through consultation by production enterprises, foreign trade enterprises, and foreign firms. The government should authorize economic departments to exercise the power of appointing, removing, and managing factory directors. The practice of letting one person hold the posts of factory director and factory party committee secretary simultaneously should be popularized. Party and government leaders of enterprises should be allowed to hold posts of other enterprises concurrently. Labor departments should no longer assign to enterprises employment quotas and total payroll utilization plans. Enterprises should decide on their own their total payroll and the distribution of their wages and bonuses, under the prerequisite of making the increase in their total payroll lower than the increase in their economic performance and making the increase in their average wages lower than the increase in their labor productivity.

Second, new demands have been set on changing the government's functions. The methods have provided stipulations for changing the government functions in the fields of improving service, simplifying work procedures and links, improving work efficiency, accelerating the building of the market and labor guarantee systems, and defining the functions and duties of respective departments. For instance, when an enterprise adjusts

the scale of its production and operation, the department concerned must complete the registration procedures for the change within one week after it accepts the report from the enterprise. For the joint venture and cooperation items of enterprises, the items covered by the three forms of import processing and compensatory trade, and capital construction and technological transformation items, departments concerned must complete the examination and approval formalities within 10 days. For the talented people invited and employed by enterprises, departments concerned should complete the formalities within one week. When an enterprise makes an ordinary change, it may directly go to the industrial and commercial administrative department to go through related formalities.

Third, new stipulations have been provided for the adjustment of organizations of enterprises. The methods have provided definite stipulations for the transfer, suspension, consolidation, merging, amalgamation, division, disbandment, and bankruptcy of enterprises and for the forms, limits of authority, and examination and approval procedures in organizing enterprise groups.

And fourth, the methods have set forth new measures for enterprises to correctly exercise the operational power and to strengthen their duties of assuming sole responsibilities for their own profits or losses. Enterprises' plans on wage and bonus distribution must be examined and agreed to by their workers congresses in advance. The enterprises which suffer a loss due to poor operation should stop issuing bonuses and should not raise the floating wages.

Shandong Uses Foreign Funds in Agriculture

OW1411081992 Beijing XINHUA in English 0801 GMT 14 Nov 92

[Text] Jinan, November 14 (XINHUA)—Yucheng County in east China's Shandong Province has achieved remarkable economic results in using foreign funds to develop agriculture.

As one of the first group of counties to use foreign funds to develop agriculture on the north China plain, the county introduced 10.5 million U.S. dollars from the World Bank in 1982. By June this year it had achieved 800 million U.S. dollars in increased returns.

Areas covered by the project include 18 towns and villages in the county. Over the past ten years the county has reclaimed 35,457 ha [hectare] of farmland, including 14,667 ha of alkaline soil.

As a result, production conditions have been greatly improved, and the per ha grain output in these areas climbed to 6,150 kg. The total grain output amounted to 350 million kg, with agricultural output value standing at 621 million yuan. The per capita income of farmers in areas covered by the project reached 761 yuan.

Between 1982 and 1992 the county took 30 percent of the money recovered from the project each year as funds for paying back the foreign loans. So far, it has collected 7.9 million yuan and can ensure the repayment of foreign loans in time.

The county has been cited by the Ministry of Agriculture for its outstanding achievement. Officials from 40 countries and regions have also made inspection tours of the county.

Shanghai Mayor on Congress Guidelines

OW1611041892 Shanghai People's Radio Network in Mandarin 2300 GMT 9 Nov 92

[From the "Morning News" program]

[Text] Yesterday, Mayor Huang Ju presided over the 28th executive meeting of the Shanghai Municipal People's Government. The central issue discussed at the meeting was the implementation of the 14th CPC National Congress guidelines, calling for efforts to continuously consolidate and develop past achievements, to realize the work objective of bringing about a fresh outlook every year, and to concurrently prepare to bring our economy to a new level next year and make new breakthroughs in reform and opening up to the outside world, thereby introducing changes to the municipality's outlook. Mayor Huang Ju addressed the meeting on the arrangement for various tasks for the rest of the year and his thoughts about next year's work. He said: We must comprehensively fulfill the various tasks laid down in the national economy and social development programs this year; at the same time, we must strengthen our macro-control power, readjust investment structure, and take firm steps to ensure that we do not make any breakthrough in our investment scales and do not overstep our credit limits; instead, we must direct our funds to key projects, try to overfulfill our targets for withdrawing currency from circulation, control price increase indices to below 10 percent, and consolidate and improve the real estate market and experimental aspects of a shareholding system so our national economy will develop more healthily. Regarding our plan to fulfill our work objectives within this year and regarding the various tasks that should be done properly, Huang Ju said: Now we should first pay due attention to traffic management and resolve the traffic control contradictions and problems. This is a key project of the municipal government in the fourth quarter. Second, to ensure that people will enjoy stable lives, we must do a proper job in comforting and aiding retired personnel, as well as staff members and workers who are in difficulty before the end of the year; we must strengthen leadership and take effective measures to ensure that our special task force for housing will complete its task to ameliorate housing problems by the end of the year. We must prepare to face inclement weather; severe cold and dense fog may possibly occur toward the end of the year and the beginning of next year. We must implement a responsibility system at various levels and ensure that all the people in the

municipality will safely pass the winter. We must further strengthen the management and assignment of funds, give priority to key projects, and ensure that purchases of farm products will never be done on an "IOU" basis, investment on fixed assets will be carried out as planned, and that enterprises concerned supply of means of production will be able to meet the demands during this year's fourth quarter as well as next year.

We must support the economic construction in the Pudong new area, the development of tertiary industry, and the industrialization of new and high technology. We must strictly control the relative growth of outgoing commodities and collectible payments, prevent further increase of debt chains, strictly control the flow of funds and credit for investment purposes, and curb utilization of funds and credit for buying and selling stocks and real estate. Huang Ju pointed out: Within this year, we must adopt practical measures to limit production, reduce overstocking, and promote sales. We must make various preparations for reform of our social security system. We must do a good job in stabilizing, improving, and regularizing the market; and based on our study, strengthen market management and price controls, investigations, and summing up of experiences. We must earnestly intensify our efforts to build an honest government and devise specific ways to implement the various plans.

Regarding the work for the first quarter of 1993, Huang Ju pointed out: We must make efforts soon to study, prepare, and implement the various plans. We should make the necessary funding arrangements and other preparations for the supply of energy and various means of production as soon as possible. We must accelerate the drawing up of plans for developing the tertiary industry in our municipality and carry out plans to properly balance and control the use of various funds for construction purposes. We must pay attention to the removal and building of housing bases as an important step toward urban construction. It is necessary to properly arrange for water conservation construction and agricultural production and to study a new system for levying taxes for Shanghai according to the requirements for establishing a socialist market economy. We must do a good job in our management system in the Pudong new area during the transitional period and prepare to quicken our pace for opening up to the outside world. We must intensify our efforts in building spiritual civilization and in building a frugal, hard-working, and honest administration.

Touching on his overall ideas for the municipality's economic work next year, Huang Ju said: Next year, we must maintain our momentum and quicken our pace in five aspects. The five areas where we should maintain momentum include furthering high-speed economic growth, pushing forward comprehensive urban infrastructure construction, taking a lead in deepening reform, making comprehensive and speedy efforts to further develop Pudong, and increasing foreign capital utilization. The five aspects where we should quicken

our pace are: 1) the transformation of government functions and of operating mechanisms of state-run large and medium enterprises; 2) the development of tertiary industry; 3) the development of high and new technology; 4) foreign trade, exports, and our advance toward a market-oriented economy; 5) efforts to improve our management of urban administrative functions. Huang Ju said: While arranging and studying our tasks for next year, we must integrate our efforts with studying and implementing the 14th party congress guidelines, taking into consideration the demands for building a socialist market economy and the trend of economic development along the Chang Jiang and other rivers. The arrangement for next year's work should be such that not only must we emancipate our minds, but we also must seek truth from facts; not only must we be far-sighted, but we also must have a solid foundation, make new moves, and take new measures to ensure that our economic development will advance to a new height.

At the meeting, Vice Mayor Xu Kuangdi reported on the guidelines of the recently concluded national work meeting on accelerating development of tertiary industry; Vice Mayor Xia Keqiang described the further arrangements for traffic improvement this winter and next spring.

Shanghai Sets Target for Financial Reform

OW1411091192 Beijing XINHUA in English 0835
GMT 14 Nov 92

[Text] Shanghai, November 14 (XINHUA)—Shanghai, the leading municipality in China, has set its target for financial reform. This is regarded as vitally important for boosting the city's economy as a whole.

The target includes introducing the mechanism of enterprises into banks, letting the interest rates fluctuate with the market needs and internationalizing financial activities, according to Mao Yingliang, president of the Shanghai Branch of the People's Bank of China.

The reform is expected to provide a more effective financial environment for developing the city's economy, Mao said.

Since the beginning of this year Shanghai has made bolder steps in financial reforms, leading to a rapid development of securities, foreign exchange and funds markets. The city has issued 32 kinds of shares, and their transaction volume has reached 40 billion yuan, quadrupling the figure for last year.

The Shanghai Stock Exchange has set up relations with 28 provinces, autonomous regions and municipalities nationwide, in addition to relations with some overseas counterparts.

The Shanghai foreign exchange market saw a transaction volume of 2.6 billion U.S. dollars in the first nine months of this year. And the volume of borrowing and lending on the funds market reached 100 billion yuan.

So far, 19 foreign banks have established branches in Shanghai, including the latest, a Sino-French joint venture bank and a U.S.-funded insurance company.

Mao said, however, that all these achievements are not yet enough, considering the real position Shanghai should hold. "Therefore, we should take more reformative measures," he added.

In the operation of financial institutions, advanced management skills and methods should be introduced from foreign countries and new financial tools and services should be offered to clients, he concluded.

Shanghai Adopts New Unemployment Regulations

OW1511155792 Beijing XINHUA in English 1526
GMT 15 Nov 92

[Text] Shanghai, November 15 (XINHUA)—Shanghai, the leading industrial city in China, will offer unemployment insurance to all its enterprises, according to the Shanghai Job Waiting Insurance Temporary Provision issued recently.

Shanghai began to offer relief to unemployed workers and job waiters limited to state-owned and collective enterprises in 1983 according to a related regulation issued by the State Council.

So far the city has provided 410,000 unemployed workers in the city with about 22 million yuan (nearly four million U.S. dollars). Now 12,000 unemployed workers live on relief from the municipal government every month.

According to the new provision, workers and staff members losing their job against their own will in shareholding and private enterprises, governmental organs and public institutions can apply for unemployment insurance.

The minimum of relief has been raised to 75 yuan per month.

The unemployment relief term and the application procedure for contracted workers have been renewed. And those who are due to retire can retire during the job waiting period, according to the regulations.

Legal responsibilities for the unemployment insurance are regulated.

Enterprises and banks are expected to cooperate with the government in raising unemployment insurance funds.

Zhejiang Records 'Fast Economic Growth' in 1992

OW1411095292 Beijing XINHUA in English 0943
GMT 14 Nov 92

[Text] Hangzhou, November 14 (XINHUA)—East China's Zhejiang Province recorded a fast economic growth in the first 10 months of this year, according to official sources today.

In the January-October period, the province created a total industrial output value of 202.1 billion yuan, a 30.8 percent increase over the same period of last year and its social commodity retail sales amounted to 45.31 billion yuan, a 17.5 percent growth.

In addition, the province's foreign exchange earnings from exports and tourism reached 2.95 billion U.S. dollars, up 24.1 percent over the same period of last year.

Local officials attributed the fast economic growth to the accelerated reform and opening drive, increased investment into fixed assets and export growth.

Lacking natural resources, energy and industrial raw materials, the coastal province concentrates on the processing industry.

This year the province has quickened its pace in developing ports, introducing foreign investment and expanding exports.

It has opened Jiaxing, Huzhou, Shaoxing, Zhoushan and Jiaojiang Economic Development Zones this year in addition to Beilun, Ningbo, Wenzhou and Hangzhou Zones.

In the January-October period, the province attracted 1.2 billion U.S. dollars of foreign investment, more than the amount it introduced in the past 14 years.

Central-South Region

Shenzhen Begins Economic Legislative Work

OW1411091992 Beijing XINHUA in English 0856
GMT 14 Nov 92

[Text] Shenzhen, November 14 (XINHUA)—With the approval of the Standing Committee of the National People's Congress, Shenzhen, the first Special Economic Development Zone in China, is initiating legislative work to meet the needs of its economic development.

The city was empowered to make legislation by the Standing Committee of the National People's Congress on July 1 this year. Since then, much work has been done by the Municipal Committee of the Communist Party of China to spread legal knowledge among the city residents and to strengthen their legal sense, and the preparatory work for legislation has moved forward.

The personnel department of the municipal government has advertised for 100 specialized law workers.

The Standing Committee of the Municipal People's Congress has engaged a number of legal and economic experts from Beijing, Guangzhou and other major cities of the country as legislative consultants.

The city will use the experience of those developed countries and regions in legislation to suit the local conditions and to promote the development of the socialist market economy on the premise that it will

abide by the Constitution of the People's Republic of China and other national laws and regulations, according to an official of the Standing Committee of the Municipal People's Congress.

The city will invite a number of noted legal workers from Hong Kong to advise on the process.

Meanwhile, the Standing Committee of the Municipal People's Congress and the municipal government have moved to make the city's legislation more standard and scientific.

The Standing Committee of the Municipal Government, in a plenary session in October, passed a regulation on the making of law in the Special Economic Zone, its first such act since it was empowered to make laws.

The municipal government passed procedural rules on making regulations and drafting laws later that month.

The Municipal People's Congress has passed more than 20 laws and regulations with the approval of the National People's Congress and the Provincial People's Congress.

The municipal government has also published more than 480 standard documents important to the city's economic reform and opening to the outside world.

However, with the further reform and opening to the outside world, many of the documents can not meet the need of the city's economic development and they are not as authentic as laws and regulations.

To enhance the documents' effectiveness, the municipal government has decided to put them in order.

Those which are in keeping with the constitution of the People's Republic of China, with other national laws and regulations and with the socialist market economy will be submitted to the Standing Committee of the Municipal People's Congress and will be upgraded as laws and regulations through legislative procedures after being improved.

Those which need revision will be republished by the municipal government so as to make them more biting.

Those which are out of date will be abolished.

The clearing up of the documents will be completed by the end of 1993, said an official from the Legislative Affairs Bureau of the municipal government.

The city now has started making laws and regulations. Under scrutiny are those on registration and exchange of real estate, the establishing of companies, bankruptcy, stock market, financing and taxation and auctions, said an official from the Commission of the Legislative Affairs of the Municipal People's Congress.

The Municipal People's Congress will make 84 laws and regulations during 1992 to 1995, said the official.

Hainan Ends Double-Track Prices for Coal, Oil

HK1611102792 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 7 Nov 92

[Excerpts] The provincial government has decided to end the double-track price system for coal and refined oil as of 1 November. It will announce the appropriate methods for ending the price system with a view to speeding up enterprise operational mechanisms, creating market conditions favorable for competition on equal basis, and enabling enterprises to move toward the market. [passage omitted]

In accordance with the methods mentioned above, governments at all levels must truly strengthen their macroscopic regulation, control, and management of the coal and oil markets. Departments responsible for commodity prices as well as industrial and commercial administrative sections must strengthen their investigation and supervision over market prices. The province's oil and coal companies must take active measures to organize the coal and oil supply system—which is partially covered by the state plan—to ensure sufficient market supply, stabilize prices, and give play to the role of key enterprises as major supply channels.

Hainan Secretary Discusses Building Market

HK1611031092 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 1 Nov 92

[Report on "part two" of interview with Hainan Provincial Party Secretary Deng Hongxun by reporter (Wang Honglan); place and date not given—"part one" of interview published in the Regional Affairs section of the 12 November China DAILY REPORT, beginning on page 36]

[Text] The following is the second installment of a recorded interview with provincial CPC Committee Secretary Deng Hongxun by this station's reporter, (Wang Honglan). The interview is entitled, Build a Vigorous Socialist Market Economic System.

[Begin recording] [(Wang)] Secretary Deng, the 14th CPC National Congress called for building a socialist market economic system. As far as I know, our province has already done a lot of work in this respect. Can you say something about this?

[Deng] The 14th CPC National Congress called for building a socialist market economic system. Insofar as our province is concerned, we have already built [passage indistinct] a foreign exchange coordination system, a production means market, a farm and sideline products market, a science and technology market, a personnel exchange market, and a real estate market, some of which are still being refined. It can be said that we have already built a preliminary market system. How should we continue to build and perfect our socialist market system in light of the realities in our Hainan Province? I believe we should mainly concentrate on the following two aspects of work: 1) invigorate enterprises.

Only after being invigorated will enterprises really become capable of gearing production to the market and participating in market competition. Only by so doing will we be able to invigorate the market. 2) vigorously develop tertiary industry. To this end, we must build not only all types of wholesale markets, but also a futures market for farm and sideline products and other production means. We must not only try to build various market systems but also strive to give full scope to Hainan's superior tourism resources so as to push ahead with the development of various service industries and various other trades and professions as well. [end recording]

Henan Military Industry To Make Civilian Goods

HK1611103092 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 11 Nov 92

[Text] The Henan Province people's government signed a contract on economic and technological cooperation with the China General Company of Weaponry yesterday morning in Zhengzhou. Li Changchun, governor, and (Lai Jinruo), general manager of the company, signed the cooperation contract.

Both sides agreed that, based on the principles of thorough cooperation, emphasis on key points, reciprocity, and common development, 16 arms enterprises in our province will launch 29 projects to transform military industries into civilian ones during the Eighth Five-Year Plan period. It will require 683 million yuan, of which loans will amount to 494 million yuan. It is estimated that, once the projects have been completed, the new output value will reach 2.561 billion yuan; the amount of profit and tax to be handed over will reach 498 million yuan; and foreign exchange earned through export will reach \$47 million [passage indistinct].

The two signatories agreed to help our province's armament enterprises to expedite the transformation of the operating mechanism, to enable them to enter the market as soon as possible, to create conditions to ensure that military industries transform into civilian ones, and to enable them to really become the commodity producers and operators who have decisionmaking power, who take sole responsibility for gains and losses, and who are capable of self-development and self-restraint.

Henan Market Regulations Introduced

HK1611090792 Zhengzhou Henan People's Radio
Network in Mandarin 1030 GMT 9 Nov 92

[Excerpt] The reporter learned from the fifth plenary session of the fifth provincial CPC committee, which ended yesterday, that Henan's economic plan for next year will be made in accordance with the goal of setting up a system of socialist market economy, with a view to speeding up the reform of planning and pricing systems.

First, mandatory plans will be reduced. While the mandatory plans assigned by the state will be listed and

passed on without alteration, those made by the provincial authorities for the production, distribution, and allocation of commodities and materials will be removed in principle next year; and market regulation will be introduced instead. As for industrial plans, while guiding production plans will be retained for a small number of product varieties which have a bearing on international reputation and are of a relatively strong nature of monopoly, planned management will cease to operate on all other products and market regulation will be introduced instead. As to agricultural plans, while guiding production plans will be retained for the total output of grain, cotton, and tobacco, no more quotas will be assigned to specific cities and prefectures on the output of other agricultural products; and the plans for the sown area of such crops as grain and cotton will be removed. Market regulation will apply to all important commodities and materials, the distribution and allocation of which used to be planned by the provincial authorities, while the latter will continue, for the time being, to hold the authority to transfer concentrated chemical fertilizers and steel products to higher administrative levels. Guiding plans will be applied to the supply of exports and the utilization of foreign capital. The governments at various levels and competent departments in various trades may not introduce, directly or in disguised form, additional mandatory plans.

Second, the pace of pricing reform will be accelerated. [passage omitted]

Henan Governor Speaks at Provincial CPC Plenum

HK1611062292 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 8 Nov 92

[Excerpts] The Fifth Plenary Session of the Fifth Henan Provincial CPC Committee was successfully concluded in Zhengzhou yesterday. When this session opened earlier, provincial CPC Secretary Hou Zongbin gave a speech entitled, Grasp the Key Points, Proceed in Light of Reality, and Study Conscientiously and Implement Well the 14th National CPC Congress' Spirit. During the session, all the comrades present conscientiously studied and discussed the relevant 14th CPC Congress documents and Comrade Hou Zongbin's speech. The secretaries of CPC committees of 17 cities and prefectures spoke at the session.

The plenary session discussed and unanimously adopted the provincial CPC committee's resolution on implementing the 14th CPC Congress' spirit and speeding up the reform, opening up, and modernization process; adopted the resolution to promote (Zhang Honghua), alternate member of the provincial CPC committee and secretary of the Nanyang Prefecture CPC Committee, to full membership of the fifth provincial CPC committee.

At the plenary session's close, Li Changchun, deputy secretary of the provincial CPC committee and governor, presented an analysis of and report on Henan

Province's economic situation in the context of implementing the 14th CPC Congress' spirit and spoke on the current work.

Li Changchun said: Since the beginning of this year, the whole province has been conscientiously implementing the important talks made by Comrade Deng Xiaoping during his tour of southern China, and the spirit of the Central Political Bureau plenary session, keeping a firm hold on all opportunities, stepping up reforms, expanding opening up, and accelerating economic development. Marked improvements have been observed in all respects of work. The economy has shown a relatively strong momentum of growth. A good start has been made in the effort to upgrade the economy to a new height. The overall situation provincewide is gratifying. This can be seen through the following signs: Economic efficiency has been growing at basically the same rate as development, investment in fixed assets has been growing at a significantly higher pace—though still far below the national average, stability has been dominating market sales with some signs of briskness, price increases have been gentle, total demand and total supply have been basically in balance, and the expansion of credit has been kept at an appropriate level.

Li Changchun pointed out: While affirming the normal economic development in Henan, we must be soberly aware that, to maintain sustained, rapid economic development, we are still faced with some outstanding conflicts and problems that call for immediate solution. For instance, the overall economic efficiency is still not good enough, there is a serious shortage of funds for agricultural development, the strain on communications and energy has been mounting incessantly, inadequate investment in fixed assets coexists with low-standard and overlapping construction, and the growth of exchange earned through export and sustained utilization of foreign capital has been slow. Therefore, it is necessary to, guided by the 14th National CPC Congress' spirit, take effective measures, in good time, to solve conflicts and overcome difficulties, so as to develop our economy better and faster.

Li Changchun emphatically pointed out: It is necessary to uphold the 14th CPC Congress' spirit as the guideline, seize all favorable opportunities, speed up the pace of reform and opening up, do the work well in all respects, and strive to open up a new prospect in the reform, opening up, and modernization process of our province. [passage omitted]

Finally, Li Changchun said: Now that the broad policies, specific principles, and main tasks have been clearly set, the key is to, according to the requirement of "three preventions and four substantial efforts" set forth by the provincial CPC committee, put the policies and principles into practice, quietly put our shoulder to the wheel, and ensure that all work is substantially carried out. We, guided and inspired by the 14th CPC Congress' spirit, should further emancipate our mind, speed up the pace

of reform and opening up, and help upgrade Henan's economy to a new stage in the 1990's.

Hubei Industrial Development Continues 'Upswing'

HK1611090892 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 10 Nov 92

[Excerpt] Our province industrial production continues to show an overall upswing, and the dovetailing of production with sales is becoming more rational. In October, the monthly industrial output value provincewide reached 10.53 billion yuan, up 17.8 percent over the corresponding period last year, which was the highest increase rate so far this year.

From January to October, the province's aggregate industrial output value increased over the corresponding period last year by 12.6 percent.

Hubei's industrial production this year, with its accelerated growth, is characterized by the following three features:

First, the dovetailing of production and sales is becoming more rational. By the end of October, the ratio of sales to production in industry reached 93.8 percent, up 5 percent compared to the first half of the year. In particular, a large number of large and medium mainstay enterprises, such as Wuhan Iron and Steel Corporation, Dongfeng Automobile Company, Xiangyang Car Axle Bearing Group, Hubei Provincial Chemical Industry Factory, and Jiangnan Oil Field, showed the favorable tendencies of sales exceeding production or simultaneous growth of sales, profits, and output value. The worth of all industrial products delivered for export also increased 17.6 percent.

Second, heavy industries, represented by raw materials and energy production, enjoyed accelerated growth. By the end of October, the total heavy industrial output value increased 16.4 percent over the corresponding period last year, and accounted for 70 percent of the newly acquired industrial output value provincewide this year.

Third, industry's economic efficiency continued to improve. By October, the total amount of profits and taxes deliverable by industrial enterprises within the budget increased 20 percent points compared to the corresponding period last year. The number of enterprises operating at a loss dropped 6.7 percent, and the amount of losses went down 29 percent. [passage omitted]

Hubei To Promote Technology Transfer

OW1611080092 Beijing XINHUA in English 0629 GMT 16 Nov 92

[Text] Wuhan, November 16 (XINHUA)—Central China's Hubei Province has taken measures to promote technology transfer.

According to He Genfa, chairman of the provincial science and technology committee, the province has decided to strengthen the ties between research institutes and enterprises, signing contracts as well as promoting technical research findings, especially in rural areas.

Meanwhile, the provincial government has also adopted a series of policies and regulations to ensure the transfer of technological progress to production.

The technology market in the province has seen a big boom in recent years.

Since 1986 the province has reported 4,079 technological achievements.

In Wuhan, the provincial capital, the construction of the Donghu New- and High-Technology Development Area has taken shape.

Up to now, about 154 enterprises involved in optical fiber, bioengineering, microelectronics and lasers have been established, with a total output value of 370 million yuan (about 68 million U.S. dollars).

In the meantime, 15,000 technicians at more than 100 institutions of higher learning and research institutes have helped medium- and small-sized enterprises, township enterprises and agricultural industries with the application of more than 800 items of research results and the development of nearly 500 products.

In addition, the province has trained nearly 10,000 persons for the poverty-stricken Dabieshan Mountain area in eastern Hubei.

Hubei Secretary Addresses Opening of Trade Fair

HK1411031892 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 8 Nov 92

[Excerpt] The 1992 commodity fair of the Chang Jiang-Han Jiang plain and southeast Hubei sponsored by Xianning Prefecture was solemnly opened at Xianning Spa on 6 November. Provincial party Secretary Guan Guangfu and Vice Governor Han Hongshu attended the opening ceremony and, on behalf of the provincial CPC committee and government, extended congratulations on the fair's opening.

The economic cooperation zone of the Chang Jiang-Han Jiang plain and southeast Hubei was set up by a number of prefectures and cities, including Wuhan, Huangshi, Xinzhou, and Xianning, in 1985 and 1986. Xianning Prefecture is the sponsor of this fair. Over 3,000 businessmen from Hunan, Jiangxi, Beijing, Tianjin, Shanghai, Guangdong, Guizhou, Jiangsu, Heilongjiang, Henan, and our province are gathered in this land of osmanthus. More than 6,800 commodity items, worth a total of over 5 billion yuan, are on exhibition.

Guan Guangfu, with great enthusiasm, visited the exhibition hall and discussed such issues as strengthening economic cooperation and developing a socialist market

economy with people in charge of the prefecture, cities, and counties of Xianning, and with representatives of relevant prefectures and cities in Hubei attending the fair.

Guan Guangfu said: In developing a socialist market economy, it is imperative to break confines, strengthen interregional economic cooperation, remove obstructions to exchange within the country and opening up to the outside world, learn to broaden the market, study issues related to consumption, strive to improve product quality, and refrain from taking a sit-and-wait attitude. [passage omitted]

Hunan Frees Prices of Food Grain, Edible Oil

OW1411082192 Beijing XINHUA in English 0755 GMT 14 Nov 92

[Text] Changsha, November 14 (XINHUA)—Central China's Hunan Province, one of the major grain producers in China, began to free the control over the prices of all food grains and edible oil in both urban and rural areas starting from November 1, according to provincial officials.

The officials said that the province will no longer supply urban residents with food grains according to prescribed rations and at the state listed prices and they have to buy their food grains from the market.

With the opening of the grain market, the officials said, all the ration coupons, certificates and other documents will cease to be valid. Residents will be provided with subsidies to cover the extra burden due to price rise.

Starting from next January 1, the government will cease to impose grain purchase quotas on peasants and will no longer supply peasants with materials associated with grain purchase quotas at the state listed prices.

Agricultural tax, which will be paid in kind, will be collected by agricultural enterprises, which will settle accounts with the financial departments according to market prices.

With the control over the grain purchase and supply lifted, the former plans for allocating food grain and edible oil at the state listed prices will be abolished.

Southwest Region

Guizhou Secretary at Socialism College Ceremony

HK1611084192 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 10 Nov 92

[Excerpt] The Guizhou Province Socialism College held a rally yesterday to celebrate its 36th anniversary. Provincial leading comrades, including Liu Zhengwei [provincial CPC secretary], Wang Chaowen [governor], Long Zhiyi, Liang Mingde, Wang Shuqi, Yuan Ronggui, Luo Dengyi, Wang Yaolun, Miao Chunting, Song Shugong, Tang Hongren, and Wang Siming, attended the rally. He

Naiguang, deputy head of the CPC Central Committee United Front Work Department [as heard], was also present to convey congratulations.

Since it was founded 36 years ago, the Guangzhou Socialism College has run 86 terms of various types of training courses, study sessions, and research courses at various levels, attended by over 4,000 non-CPC personalities and cadres engaged in united front work. The teaching and research standards of the college have been constantly upgraded, and the conditions for conducting education have greatly improved. [passage omitted]

People of Tibet Have 'Comfortable Life'

OW1611094992 Beijing XINHUA in English 0911
GMT 16 Nov 92

[Text] Lhasa, November 16 (XINHUA)—Cewang Doje, an ordinary peasant from Lhunzhub County in the Tibet Autonomous Region, never imagined he could one day afford to go sight-seeing abroad. Yet today, this is no longer a dream—he visited Nepal last month.

Cewang, 40, has bought a big bus and opened a long distance passenger transportation service. The business brings him an annual income of 20,000 yuan (about 3,700 U.S. dollars).

An authoritative person of the autonomous region attributed the relatively comfortable life of the common peasants and herdsmen to the enforcement of reform and opening policy.

Before the democratic reform in 1959, serfs and slaves in Tibet accounted for 95 percent of the region's population.

In Tibet, there was an old saying, "The only thing you can take with you is your shadow, and you leave nothing behind except your footprints," which vividly reflected the squalid life of the serfs and slaves.

The year of 1959 saw an end to this situation thanks to the peaceful liberation of Tibet in 1951 and the democratic reform leading to the emancipation of serfs and slaves.

Since late 1970s, the Tibet Autonomous Region has adopted a series of preferential policies and flexible measures to allocate land to individual households and allow the herdsmen to own animals.

And now, Tibet is facing a prospect of an economic boom as a result of the region's shift from natural economy to commodity economy.

According to Ragde, deputy secretary of the Tibet Autonomous Region party committee, the income from the region's development of diversified operations and township industries amounted to 360 million yuan (about 67 million U.S. dollars) in 1991, eight times that of 1980, and the per capita annual income of the farmers reached 455 yuan (about 84 U.S. dollars), a leap in the region's history.

It is estimated that the total grain output of the region will record 600 million kilograms, the fifth harvest in succession.

At present, many farmers and herdsmen have engaged in the development of industry and service trades.

Many villages specializing in producing daily articles for minority groups have appeared on "the roof of the world."

Razhen village in Chanang County is a typical example. "Pulu" is a sort of wool-woven material which has been widely used by Tibetans.

Known as the "hometown of pulu," the village is well-known for its production of pulu and other daily articles including travelling bags, quilt covers and thermos flask bags.

The villagers have not only covered the market in Tibet, but also extended their businesses to western China's Sichuan and Qinghai Provinces.

The annual income of the villagers jumped from 100 yuan (about 18 U.S. dollars) in 1980 to 600 yuan (about 108 U.S. dollars) last year.

In the meantime, tertiary industry has sprouted in Tibet, as in the opening of beauty parlors and transportation services provided by individuals and the booming of tourism.

The opening up and reform of Tibet has made it possible for the region to boost its economy through cooperation with other regions and provinces and developing border trade with the neighboring countries including India, Myanmar and Bhutan.

According to Ragde, 19 provinces and municipalities have started construction on more than 40 cooperative projects involving a total capital of 1.1 billion yuan.

The region has also imported over 40 other projects with 30 million U.S. dollars.

A variety of commodities from more than 20 provinces and municipalities and over 10 countries are available in Lhasa, the regional capital.

Some tourists from the United States were amazed at the Tibetan women speaking fluent English while selling jewels in Bargor Street (the major commercial street) in Lhasa, the young lamas serving as tour guides for foreigners, and the Tibetan herdsmen herding sheep and cattle riding on their imported motorcycles.

Zham, a town bordering Nepal, has seen a boom of border trade in the recent years.

Officials from Zham said the total trade volume amounted to 220 million yuan last year with foreign exchange earnings of 3.35 million U.S. dollars.

Gaisang is one of the Zhammers who lead quite a comfortable life. With a fixed capital of nearly 1 million yuan (about 192,000 U.S. dollars), and a well-furnished three-story house, he has even hired two Nepalese to help with chores and herd cattle.

Yangdron, a businesswoman in the Bargor Street, has put it well: "We used to be contemptuous of doing business. Yet today we have benefited a lot from doing business and will still benefit more thanks to the reform and opening of Tibet."

Tibetan Theoretical Workers Study Deng's Theory
OW1511234192 Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 10 Nov 92

[From the "Tibet News" program]

[Text] The Tibet Regional CPC Committee in Lhasa on 10 November held a forum of theoretical workers on studying and implementing the 14th CPC Congress guidelines. At the meeting were Chen Kuiyuan and Danzim, deputy secretaries of the regional party committee; Laba Pingcuo, vice chairman of the regional government; (Gesang Namgyai) and (Lu Xiuzhang), deputy heads of the regional propaganda department.

At the meeting, theoretical and propaganda workers from all fronts of the region held lively discussions on ways to use Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to arm the minds of party members, cadres, and the masses throughout the region and, in the light of Tibet's reality, to make theoretical work better serve the undertakings of reform and opening up.

The participants pointed out: General Secretary Jiang Zemin's report to the 14th CPC National Congress is rich in content and contains many important ideological and theoretical guidelines. It offers a systematic elaboration on the basic ideas of the theory of socialism with Chinese characteristics. It is an inspiring report for us theoretical workers.

They said: The new situation of reform and opening up has set higher demands for us theoretical workers and the burden on our shoulders has become heavier. This requires us to change our views, boldly emancipate our minds, and, taking Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guide, break down outdated, backward traditional concepts; analyze and study the new situations and experiences arising from reform and opening up with a brand-new approach and methods; base ourselves on reality to blaze a new trail and provide correct guidance for reform and opening up.

At the meeting, they also forwarded, in view of Tibet's reality, many good ideas and suggestions regarding enhancing theoretical studies, propaganda, and education; building up the ranks of theoretical workers; and promoting a flourishing theoretical sector in Tibet.

Chen Kuiyuan, deputy secretary of the regional party committee, delivered an important speech at the meeting.

He said: Just as Mao Zedong Thought was established as the ideology guiding our party's work at the 7th CPC National Congress, the 14th CPC National Congress confirmed Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guidance to the party's work. This is one of the major achievements of the 14th CPC National Congress. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the latest achievement in integrating Marxism with the practice of China; it is Marxism for contemporary China, and a powerful ideological weapon that will guide us in accomplishing the new historical task.

He said: It is a priority for our party and people of all nationalities today to earnestly study and gain a profound understanding of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. We should remold our thinking and carry out our practice according to Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and use this theory to arm the minds of all our party members, cadres, and the masses. Leading cadres at all levels must get down from their high horses, emancipate their minds, change their attitudes, and take the lead in studying the 14th CPC National Congress guidelines. They should be good at integrating theory with reality, thinking problems out, and solving problems in work.

Comrade Chen Kuiyuan said: The establishment of the theory of building socialism with Chinese characteristics has set an even more arduous task for us theoretical workers; it also presents an opportunity for us to accomplish a lot. Theoretical circles must be fully aware of the importance and functions of studying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. We should use this theory to arm our minds; transform the old, outdated concepts; and consciously plunge into practice. We should use this theory to judge whether the theoretical knowledge acquired in the past is correct or not. We should constantly change our attitudes, and dare to explore and innovate. We should integrate the theory of socialism with Chinese characteristics with reality in Tibet to carry out our work fruitfully.

Comrade Chen Kuiyuan urged comrades in the region's theoretical circles to fully understand their solemn task, face up to their own mission, help the broad masses emancipate their minds and acquire a better understanding of our party's basic line, and inspire the people of the whole region to work as one and forge ahead bravely for the achievement of socialist modernization in Tibet.

North Region

Beijing Sets Up Two Capital, Credit Agencies

OW1611080792 Beijing XINHUA in English 0744
GMT 16 Nov 92

[Text] Beijing, November 16 (XINHUA)—Beijing has established the Changcheng and Yinxing Capital and Credit Assessment Agencies to diagnose enterprise management and liabilities.

The agencies are the first of their kind in Beijing.

Lu Xueyong, president of the Beijing branch of the People's Bank of China and director of the assessment committee, said the step is important for speeding up reform of the city's finance system.

The major business of the two capital and credit assessment agencies will include making assessment of the credit categories of enterprises, assessing the categories of bonds to be issued, helping the design of the shareholding system of enterprises, the assessment of their bond issue and other financial consultation services.

The newly-established capital and credit assessment committee consists of more than 120 professors, experts and scholars from Beijing's universities, economic research institutions and finance departments.

Lu said the total volume of inter-bank lending and borrowing reached more than 30 billion yuan in the first 10 months of this year. During the same period 1.3 billion yuan of enterprise bonds has been issued, the number is 3.7 times more than the total number of last year.

Inner Mongolia Studies Enterprise Transformation

SK1411023592 Hohhot NEIMENGGU RIBAO in
Chinese 4 Nov 92 p 1

[By reporters Chaolubagen (2600 7627 1572 2704), An Tiejun (1344 6993 6511), and Tan Yulan (6223 3768 5695): "Transformation of Enterprise Operating Mechanism Brooks No Delay"]

[Text] The task to accelerate the transformation of enterprise operating mechanisms and government functions brooks no delay. Accomplishing this task early, we will gain initiative early. Otherwise, we will become passive. This was what Wang Qun, secretary of the autonomous regional party committee, repeatedly emphasized at a forum on the transformation of enterprise operating mechanisms attended by some large and medium enterprises in Hohhot city.

The forum was held in Hohhot on the morning of 3 November by Wang Qun, Qian Fenyong, and Song Zhimin; and attended by the directors and managers of a television plant, a general machine tool spare part plant,

a nationality department store, a cotton mill, a semiconductor plant, a transformer plant, and a cement plant. The directors and managers spoke on their enterprises' transforming the operating mechanisms. Wang Qun and other leaders suggested ways and means and discussed with the participants ways to solve problems.

After listening to the directors and managers speeches, Wang Qun said: The 14th CPC Congress made a clear-cut decision on establishing the socialist market economy system. This was a major breakthrough. Establishing the socialist market economy system is the objective of deepening the economic structural reform, the only way to develop productive forces and improve living standards, and also the key to the success or failure of our undertakings. We should understand the important significance in establishing this system from this perspective. He pointed out: We should accelerate the transformation of enterprise operating mechanisms and government functions. This is a crucial issue concerning enterprises' endeavor to enter the market, and we should pay close attention to it and achieve the fastest possible results. A wait-and-see attitude will only lead to a failure. The market economy means competition. Those who are superior will win, and those who are inferior will be eliminated. Therefore, we should achieve faster results in the transformation. Otherwise, we will become passive. In transforming the operating mechanism, we should have the courage to take action. As there are no ready patterns and methods, we should unify our thinking and action in line with the 14th CPC Congress guidelines, blaze new trails in the course of practice, and never wait for or merely rely on assistance. Governments should render good service according to the stipulations of the "Enterprise Law" and the "Regulation on Transformation of Enterprise Operating Mechanism" and lift all the control that should be lifted. When transforming the operating mechanism of large and medium enterprises, we should divide enterprise into several categories, and those with substantial strength should strive to enter the world market. Regarding small and medium enterprises, we should adopt more flexible measures, such as merging, leasing, contracting, and auctioning, to relax control and invigorate them. Different enterprises should have different policies, and they should be implemented to the letter.

Wang Qun urged: Large-scale propaganda and education should be conducted to enable people to know what the socialist market economy is and what distribution according to work is. We should publicize that labor is glorious and, through the propaganda, provide good public opinion for reform. To accelerate reform, we should ask typical enterprises to introduce their experiences and methods for transforming the operating mechanism to other enterprise directors and managers so that they will encourage and promote each other in accelerating the transformation and entering the market more quickly. Enterprise directors and managers should also tell party and government organ cadres how they have

transformed the operating mechanism and how governments should transform their functions. In this way, governments and enterprises will help each other in the transformation.

6-Day Inner Mongolia Trade Fair Ends 2 Nov

SK1611124992 Hohhot NEIMENGGU RIBAO in Chinese 5 Nov 92 p 1

[Summary] The six-day fifth Manzhouli city import and export commodity trade fair satisfactorily ended on 2 November. Three hundred and thirty economic contracts involving 1.55 billion Swiss Francs were signed during the trade fair. Simultaneously, spot exchange trade involving \$50 million was developed and 37 economic and technological cooperation contracts involving 220,000 Swiss Francs and 25 contracts on establishing joint ventures were signed.

More than 20,000 samples from more than 20 categories, produced by more than 800 plants across the country, were displayed at the trade fair. Together with 4,000 businessmen from 27 provinces and municipalities in the country, 1,536 foreign businessmen from the Russian Federation, Ukraine, Kazakhstan, Tajikistan, Georgia, Belorussia, the United States, Japan, France, Australia, Mongolia, Hong Kong, Macao, and Taiwan visited the trade fair.

Tianjin Congress Standing Committee Ends Meeting

SK1411022292 Tianjin TIANJIN RIBAO in Chinese 4 Nov 92 p 1

[Text] The 39th municipal people's congress standing committee meeting ended 3 November. Wu Zhen, chairman of the municipal people's congress standing committee, presided.

The meeting listened to, discussed, and examined the report on Tianjin's higher educational work, delivered by Wu Shanmou, director of the municipal higher education bureau, who was entrusted by the municipal government. In their speeches during discussion and examination, standing committee members maintained that since the Third Plenary Session of the 11th CPC Central Committee, the municipal higher educational undertakings have seen relatively big progress and obvious achievements in the educational structural reform; in teaching, scientific research, and production; and in training the able persons needed by the state construction. Pertinent departments and institutions of higher learning should earnestly study and implement the 14th CPC National Congress guidelines, further deepen the reform of the municipal higher educational structure, and serve the socialist modernization in an even better way. In accordance with the party's principles and policies during the new period, and in line with the situation of continuous development of reform and opening up, they should conscientiously implement the party's educational principle; strengthen ideological and

political work; and cultivate the persons with lofty ideals, moral integrity, cultural accomplishments, and a sense of discipline. The higher educational departments' scientific and technological advantages and overall superiority should be brought into full play to accelerate the municipality's scientific and technological progress and economic development. Based on the socialist market economy's establishment and development, we should emancipate our minds, change our ideas, speed up the pace of reform, and raise funds from various fields and through various channels to run schools with a view to continuously developing the higher educational undertakings.

The meeting also listened to, discussed, and examined the report on readjusting the 1992 municipal financial budget, delivered by Yue Shugong, director of the municipal financial bureau, and entrusted by the municipal government. The meeting listened to the opinions concerning the preliminary examination of the report, offered by Jin Gao, chairman of the municipal people's congress standing committee financial and economic committee. The meeting adopted the "Tianjin Municipal People's Congress Standing Committee Resolution on Readjusting the 1992 Municipal Financial Budget." The meeting also adopted some personnel appointments and removals.

Vice Mayor Qian Qiao and municipal government adviser Han Enjia attended the meeting as observers.

Endorses Adjusted 1992 Budget

SK1611132292 Tianjin TIANJIN RIBAO in Chinese 4 Nov 92 p 2

[Tianjin Municipal People's Congress Standing Committee Resolution on approving the adjustment of Tianjin's 1992 budget endorsed at the standing committee's 39th meeting on 3 November]

[Text] After discussion, the 39th meeting of the 11th Tianjin Municipal People's Congress Standing Committee endorsed the Tianjin Municipal People's Government report on adjusting Tianjin's 1992 budget. They decided to adjust Tianjin's 1992 revenue to 5,850,500,000 yuan and expenditure to 4,088,310,000 yuan.

Tianjin Secretary Speaks at Party Meeting

SK1611144992 Tianjin TIANJIN RIBAO in Chinese 7 Nov 92 p 1

[Text] At an expanded meeting municipal party committee standing committee held on 6 November, municipal party committee Secretary Tan Shouwen emphasized that in focusing on establishing the socialist market economy system, efforts should be exerted to emancipate the mind; change ideas; make investigations and study a vigorous trend; pool the wisdom of the masses; study and

formulate realistic methods; pay close attention to practical work; accelerate Tianjin's reform, opening up, and modernization program; and create a new situation in all fields of work.

Meeting participants heard reports from the municipal economic and planning commissions on the current economic work and analyzed the current economic situation. They held: Tianjin has notably accelerated its reform, opening up, and economic construction since the beginning of this year thanks to conscientious implementation of the guidelines of Comrade Deng Xiaoping's important talks given during his south China trip and the guidelines of the plenary session of the party Central Committee Political Bureau. Generally speaking, the economic situation is good, and there is a vigorous trend of development, thus creating a good beginning for the endeavor to bring the economy up to a new stage. However, we should also note that the fairly rapid development in Tianjin's GNP and industrial production this year was a result of the promotion of the nationwide situation in reform and opening up and was merely a rebound after a decline. The current economic development is uneven, the tertiary industry's development is not fast enough, and the growth in light industry is notably lower than that in heavy industry. Economic efficiency has yet to be notably raised, the situation of funds being tied up has yet to be improved, and enterprise deficits are rather serious, which prevents economic efficiency from being raised. Our current work focus is to implement the 14th CPC Congress guidelines, correctly estimate the current economic situation, and make the best of the situation to deepen reform and opening up continuously.

Tan Shaowen said in his speech: The study of the 14th CPC Congress documents has started throughout the municipality, and an upsurge in studying, publicizing, and implementing the congress guidelines has been created among party members, cadres, and the masses. The current key work is to comprehensively implement the guidelines, carry out practical work, and put more efforts into reform. First, we should focus on the establishment of the socialist market economy system in emancipating our mind and changing our ideas. We should conscientiously study the theory on building socialism with Chinese characteristics and arm our minds with this theory. Meanwhile, we should deepen our understanding of the theory in the course of practice, change our ideas, and enhance the sense of the market economy. Second, we should carry out practical work, start investigations and study immediately, study realistic methods, and promote work as soon as possible.

Tan Shaowen emphasized: In establishing the socialist market economic system, many new situations and problems need to be studied conscientiously. From now on, leading persons of the municipal party committee and government, as well as leading cadres of various districts, counties, and bureaus, should go down to the grass-roots units to conduct extensive and in-depth investigations and study, give heed to the opinions of the masses, pool

their wisdom, score achievements in the investigations and study as soon as possible, and promote practical work through the investigations and study so that the congress guidelines can be implemented to the letter. He urged: Departments charged with overall responsibilities and pertinent economic departments should conduct investigations and study focusing on establishing the socialist market economy system, pay attention to key links, analyze specific issues, and forward practical and feasible measures. Scientific and technological, educational, propaganda, organization, united front work, and political departments should also conduct investigations and study with the guidance of the congress guidelines; conduct their own reforms; subject themselves to and serve the central task of economic construction; and create a good environment for reform, opening up, and economic construction.

Tan Shaowen pointed out: The state of mind and work styles of cadres at all levels are the key to implementing the congress guidelines, accomplishing the various tasks for this year, and making good preparations for next year's work. We should further strengthen ideological and political work. Leading bodies at all levels should take the lead in boosting the enthusiasm of their members, raising their spirit, and performing practical work. Motivated by the congress guidelines, they should accomplish various work tasks with great efforts; accelerate Tianjin's reform, opening up, and modernization program; and achieve still greater success.

Nie Bichu, deputy secretary of the municipal party committee and mayor, reviewed this year's economic work in his speech. He said: Generally speaking, Tianjin's economic situation has been good, and the economy has entered a period of faster development. We should be prepared for challenges from various fields to bring Tianjin's economy up to a new stage again in the next few years. Achieving a steady upturn in the economy depends on reform, on structural adjustment, and on technical transformation. We still have to further emancipate our minds, change our ideas, and perform practical work in these aspects. We should understand the situation more clearly, remain clear-headed, and create a new situation in reform and opening up.

Tianjin Plans Revamp of State-Run Economy

HK1511043592 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 15-21 Nov 92 p 1

[By Yuan Zhou: "Tianjin To Revamp Its State-Run Economy"]

[Text] Tianjin's traditional State-run economy is to be revamped by massive market-oriented reforms.

Nie Bichu, Mayor of Tianjin, said the move is designed to tackle problems posed by the existence of thousands of obsolete, inactive State-owned enterprises.

Speaking at an international workshop on local economic development held last week in Tianjin, Nie said

that in the future, enterprises would reorganize and survive or perish according to the rules of market competition.

Nie said the enterprises would be responsible for their own management, wages, and hiring and firing.

Han Shaozong, Deputy Chief of the Tianjin Municipal Commission for the Restructuring of the Economic System, said the city had mapped out a seven-point reform programme:

- Taxes will be standardized so all enterprises can operate under equal tax conditions.
- Ownership of as many as 50 local enterprises will be shifted to a shareholding system before the end of next year.
- High-tech and profitable firms will be allowed to avail themselves of some of the same preferential policies heretofore reserved for foreign-funded firms. New policies in terms of pricing, use of raw materials, employment and planning may be available.
- Enterprises will be encouraged to set up joint venture or co-operative arrangements with their more flexible rural counterparts in order to swiftly adjust to the market economy.
- Enterprises will be encouraged to open branches or factories in technology development zones and bonded areas to take advantage of favourable policies.
- Enterprises will be allowed to establish a "special economic area" in their branch factories or workshops in order to practice Western-style management. For example, one or two workshops of a factory will be allowed to form joint ventures with foreign investors, while the rest of the factory continues under State ownership.

Han said unprofitable firms will be leased, merged, auctioned or declared bankrupt.

Nie said the restructuring of local manufacturing sectors was aimed at creating a new economy based on advanced petrochemicals, marine chemicals, electronics, automobiles and machinery. These he labelled Tianjin's future "backbone industries."

Northeast Region

Heilongjiang Increases Foreign-Funded Enterprises

SK1611132692 Harbin HEILONGJIANG RIBAO in Chinese 7 Nov 92 p 1

[By Liu Yan (0491 1484) and Yang Chunyu (2799 2504 7183): "The Number of Foreign-Funded Enterprises Exceeded 1,000 in Our Province"]

[Text] Based on statistics released at the end of October, our province has accumulatively registered 1,042 foreign-funded enterprises, with a total investment of \$171,805,000 and a registered capital of \$111,337,000, of which \$555.07 million came from foreign partners.

Prior to the end of 1991, there were only 464 registered foreign-funded enterprises in our province with a total investment of \$765.6 million.

Of these 1,042 foreign-funded enterprises, 516 were funded with capital from Hong Kong; 105 from Taiwan; 101 from Japan; 83 from the ROK; 79 from the United States; 68 from the CIS; 18 from Australia; 16 from Singapore; 11 from Canada; 10 each from Macao and Thailand; four each from the DPRK and Bolivia; two each from Malaysia, Panama, Great Britain, and Germany; and one each from France, Switzerland, the Philippines, India, Romania, Hungary, Peru, Sweden, and Lesotho. Hong Kong, Taiwan, Japan, the ROK, the CIS, and the United States are the regions and countries that greatly increased their investments in running foreign-funded enterprises in the province.

Increases Individually Owned Households

SK1611120892 Harbin HEILONGJIANG RIBAO in Chinese 2 Nov 92 p 1

[Summary] As of the end of September, Heilongjiang Province had 393,221 individually owned industrial and commercial households with an employment of 572,765 people, an increase of 7,811 households and 21,685 people over 1988.

Increases Industrial Added Value

SK1611120192 Harbin HEILONGJIANG RIBAO in Chinese 3 Nov 92 p 1

[Summary] In the first nine months of 1992, the added value of the industrial enterprises in Heilongjiang Province reached 27,277 billion yuan, an increase of 5.5 percent over the same period of last year. The industrial added value of Mudanjiang, Songhua, Suihua, Heihe, and Daxinganling was higher than the provincial average level. However, the province's overall economic results in the first nine months of this year were 20.38 percent lower than the average level of the Seventh Five-Year Plan period.

Heilongjiang Plain Produces Bumper Harvest

OW1611072292 Beijing XINHUA Domestic Service in Chinese 2118 GMT 8 Nov 92

[By JINGJI RIBAO reporter Zhang Zichen (1728 1311 5256) and correspondent Wang Xinjian (3769 0207 1696): "The Best Achievements of the Black Earth—A Tour of the Comprehensive Agricultural Development of Heilongjiang Province's Sanjiang (0005 3068) Plain"]

[Excerpt] Beijing, 9 Nov (XINHUA)—The great northern wilderness in northeast China, a fertile black

earth, can be said to have undergone two major development "battles" since the PRC's founding, just as the "rooster heralds dawn twice." The first daybreak was announced after the great northern wilderness, which had been swampy and sparsely populated, was turned into a major world-attention-attracting production base for cash crops. The achievement of opening up the wasteland was a result of hard work and extraordinary sacrifice made by about 100,000 demobilized soldiers and officers in the 1950's and by several hundred thousand young intellectuals in the 1960's. However, development of the Sanjiang Plain, likened by a leader to a long drama full of power and grandeur, was only at the beginning of the prologue. Even though the accomplishments were enormous, development was relatively primitive and operations were quite unskilled. In 1987, more than 90 percent of the existing 52 million mu of farmland were low- and medium-yield land yielding less than 100 kg per mu; additionally, due to a lack of productive forces, more than 17 million mu of arable land were not cultivated. According to predictions, the Sanjiang Plain still had untapped production potential to produce 12 billion kg of grain and beans. Further development was the wish of the people and the trend of the times. In April 1988, the State Council decided to designate the Sanjiang Plain a key comprehensive agricultural development zone. As of now, the Sanjiang Plain has entered a new stage of advanced-level development. Reminding us of the rooster heralding dawn the second time around, a first-phase project that ended in 1990 produced many achievements, amazing the world with a single, brilliant feat: In 1990, the Sanjiang Plain areas turned over 4.83 billion kg of grain to the state, increasing by 94.6 percent the figure for 1987, and accounting for 38.6 percent of total grain turned over to Heilongjiang Province. During a three-year period, the development zone has generated new income of 2.403 billion yuan and produced an investment-benefit ratio of one to eight, when calculated on the basis that the state invested 300 million yuan. The investment-benefit ratio is one to three, when calculated on the basis that the state invested 875 million yuan (including 411 million yuan contributed by various localities and the peasants). The peasants' per capita annual income has reached 702 yuan, rising 44.7 percent since 1987. They have accomplished synchronized economic, social, and ecological progress. In 1991, the zone faced a tough test when it suffered severe flooding such as had happened only once in the previous 30 years. We can visualize just how miserable conditions would have been without the comprehensive development projects; nevertheless, despite the problems more than 13 million mu of land in the development zone still achieved bumper harvests. During his recent information-gathering tours of Tangyuan, Ning'an, and Baoqing Counties; Fujin and Mishan cities; and farms including the Youyi, the Xingkaihu, and the No. 8511 Farm, this reporter was moved, without exception, by the optimum economic results—"miracles" over the vast expanse of this black earth. He particularly treasured the successful methods they have found through experimentation.

Heilongjiang has been very careful in implementing comprehensive development projects on the Sanjiang Plain, whose arable land area is about one-thirtieth of the total national arable land area. After signing agreements with the State Council, the province spent a year choosing the best program: After conducting on-the-spot surveys, investigations, and scientific demonstrations, the province has formulated and specified administrative regulations and measures for 120 minizones with specific rules for different projects (in accordance with developmental process and enterprise management methods) to develop the river basins. The minizones have distinctive characteristics because specific administrative rules have been adopted for different projects in the government-operated comprehensive agricultural development zone. Investments will flow according to the progress of specific projects. Generally, a minizone is about 50,000-100,000 mu; the larger ones may cover more than 300,000 mu. The 120 minizones are scattered across 22 counties (cities) and 62 state-run farms, pasture land, and fish farms. After comprehensively investing in and screening various aspects, including engineering, biology, machinery, science and technology, they have transformed 8.177 million mu of low-yield farmland, including 2.34 million mu of paddy fields. Furthermore, they have opened up and afforested wasteland and improved pasture land amounting to more than 4.5 million mu.

Heilongjiang Expands Communications Service

SK1611133792 Harbin Heilongjiang People's Radio
Network in Mandarin 2200 GMT 14 Nov 92

[Summary] Since the beginning of 1992, 13 prefectures and cities, including Harbin, Qiqihar, Mudanjiang, Jiamusi, and Suifenhe; and a key border trade city have successively been installed with 215,000-channel program-controlled telephones. The province has in all 324,000-channel program-controlled telephones. All cities at or above prefectural and city levels across the province and Suifenhe port have so far been accessible by program-controlled telephones. This ranks the province among the country's advanced in telecommunications development. The long-distance communications system of Harbin has gone into operation. Another 6,800-channel long-distance automatic switchboards were newly added. The number of the province's cities and counties with the nationwide direct dialing service system rose from 37 to 60 and that of the cities and counties with the system of direct dialing service with Hong Kong and Macao rose from 5 to 40.

Through the past three years of construction, the Harbin-Heihe, Harbin-Hagdaqi, Qiqihar-Beian, and Harbin-Jiamusi large numerical microwave communications lines have been made available to users. Except for Sunwu, Wudalianchi, Youyi, and Fuyuan, all other areas across the province have a paging service system.

Heilongjiang Labor Export Earns Revenue for State

SK1411071892 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 13 Nov 92

[Text] Qiqihar city has expanded its contacts with the outside world. Since the beginning of this year, the city has exported about 2,900 laborers to the outside world, of whom, 2,700 laborers have been exported to Russia and other CIS states. These laborers have created more than 100 million yuan in revenues for the state.

Heilongjiang Secretary Attends Meeting

SK1411022492 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 12 Nov 92

[Excerpts] At the provincial meeting to exchange the experiences of the security, procuratorial, and judicial

fronts in the activities of learning from (Liu Ping) and the Dongning County public security bureau and to commend advanced units and individuals, which concluded on 12 November, Xie Yong, member of the standing committee of the provincial party committee and secretary of its political and legal committee, urged public security, procuratorial, and judicial departments at all levels to conscientiously study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; further emancipate their minds; enhance the sense of service and reform; and raise the awareness in serving the party's central work. [passage omitted]

Provincial leading comrades, including Sun Weiben, Wang Zhao, Zhou Wenhua, Ma Guoliang, Wang Haiyan, Zhang Xiangling, and He Shoulun, presented medals to those who were commended.

Article Discusses Clinton's Diplomatic Policy

OW1611105792 Taipei CHUNG KUO SHIH PAO in
Chinese 7 Nov 92 p 3

[Text] The moment John F. Kennedy took over as U.S. president in the prime of his life 32 years ago, when the Cold War was at its most tense, Soviet leader Khrushchev began to deliberately "test" the young president, who had no international political experience. The result was a series of diplomatic crises, including the Bay of Pigs incident in Cuba, the breakdown of the U.S.-Soviet summit meeting in Vienna, the reblockade of Berlin, as well as the missile incident in Cuba which brought the superpowers to the brink of nuclear war.

With the passage of 32 years and the end of the Cold War era, another young president without diplomatic experience has emerged in the United States. Clinton, the president-elect, is confronted with a new, post-Cold War international order which is no less complex than the extensive intriguing that went on during the Cold War. In today's ever-changing world, although there is no high-handed Khrushchev-like dictator to hastily challenge the new U.S. president, the United States still needs to shoulder the leadership responsibilities that come with being the only superpower in the world to promote peace and prosperity for mankind.

The main characteristic of this year's U.S. election was the disregard for diplomatic issues. In a lethargic atmosphere caused by economic recession, soaring unemployment, and rapidly shrinking job opportunities, voters had hardly any interest in diplomatic issues, while the three presidential candidates very seldom touched on the current international situation. There is no denying that Clinton will focus on domestic affairs in his future administration, giving priority to improving the stagnant economy. Domestic affairs are closely linked to foreign affairs, while diplomatic initiatives and developments need the backing of strong and solid economic power. Therefore, the Clinton administration will follow the administrative rationale of putting foreign affairs second to the top issue of domestic affairs. During his campaign, President Bush frequently took pride in having brought the Cold War to an end, the fact—as proven by Russia's supplication for foreign aid and the U.S. economic recession today—is that both the United States and the former Soviet Union paid a dear price for the Cold War.

Since the end of World War II, every U.S. Government, Democratic and Republican alike, kept the tradition of a "diplomatic continuity." Even in the hand-over of administrative power between the two parties, the new government still carried on the basic foreign policy of its immediate predecessor and very seldom made abrupt changes. Having strongly called for the abandonment of Quemoy and Matsu in the 1960 presidential debates, Kennedy stuck to the Eisenhower administration's China policy of assisting in the defense of Taiwan, Penghu, Quemoy, and Matsu after he won the election. Clinton promptly made an announcement, the second day after his election victory, on his foreign policy

principles, stressing the new administration's intention to provide "diplomatic continuity."

The purpose of Clinton's announcement received great attention from U.S. diplomatic and press circles. Knowing full well that foreign leaders had doubts and were worried about his lack of diplomatic experience and the new administration's diplomatic orientation, and also amid fears that Iraqi President Saddam Husayn might take advantage of the power transition in the United States to create disturbances, Clinton made the announcement to the whole world, in his capacity as president-elect, to try to clear up any doubts.

We may see that the policy of "stressing domestic rather than foreign affairs" and "giving priority to the United States and its people," might mean Clinton's diplomacy will be quite a contrast with U.S. diplomacy over the past four decades—in essence and in the way things are done. Clinton's diplomacy will be composed of prudence, maintenance of past U.S. achievements, but primarily economic considerations. With its national strength expended by Cold War diplomacy, the United States will stress "restoring and consolidating its vitality" in its diplomatic dealings in the 1990's.

In such a situation, the U.S.'s influence and leverage may not match what it possessed in the past, the "Pax Americana" will be gone forever, and the U.S. national strength, its resources, and the popular will are also unlikely to sustain the country's great ambitions for the next century.

In short, the Clinton administration will make gradual but not drastic adjustments to U.S. foreign policy in response to changes in the world situation. Its policy toward Asia, Mainland China, Japan, and the Korean peninsula will remain the focus of U.S. attention. On several occasions during his campaign, Clinton denounced Peking's actions with regard to human rights, using such strong words as "all tyrants from Baghdad to Peking" and indicating that the United States would tie the most favored nation trade status for Chinese Communists to human rights. However, the speeches he made during the campaign cannot be regarded as the administrative basis he will apply once in office; under the principle of "not isolating China," Clinton is unlikely to turn the clock back in Sino-U.S. relations. His stress on human rights did not indicate hostility or malice toward Chinese Communist leaders, but instead was aimed at making the Peking authorities realize that human rights are not a purely internal issue and that the improvement of human rights is an important basis for strengthening their international standing. We believe that in spite of their friction and differences, Washington and Peking will continue to maintain good relations for the sake of both countries' interests and of peace in Asia.

As U.S.-Japanese economic and trade relations are vital to economic recovery in the United States, Japanese leaders have failed to conceal their worries about the

Clinton administration. In view of peaceful developments on the Korean peninsula, Clinton has maintained that U.S. troops should withdraw from South Korea. However, whether or not North Korea's secret nuclear development plan will force Washington to change its stand remains to be seen.

The Warsaw Pact bloc's disintegration brought about a reduced role for NATO. Following a series of events, such as the East European bloc's breakdown, German unification, and Europe's steps toward unity, West Europe's traditional relationship with the United States has entered a completely new period of adjustment which has seen the replacement of diplomatic harmony and military cooperation by economic confrontation, proven by the tariff war which recently broke out.

While Clinton has indicated support for the Middle East peace talks single-handedly initiated by the Bush administration, the confrontation between Israel and the Arab world, as well as Iraqi President Saddam Husayn's tenacity, remain huge stumbling blocks to peace in the Middle East.

The difficult political and economic reforms; the issue of keeping or dismantling nuclear missiles; armed conflicts between ethnic minorities in Russia; ethnic strife in Yugoslavia; as well as serious famine in Somalia and other parts of Africa, all call for active U.S. involvement and diplomatic efforts.

Domestic economic problems and current trends rest the heavy responsibility of "revitalizing the homeland" on Clinton. However, he is not an isolationist. Furthermore, rebuilding the economy cannot be done by quietly immersing oneself in hard work behind closed doors. After all, the United States is still a first-class power duty-bound to safeguard human dignity and pursue world peace.

Now that Clinton has taken over the political torch, we hope that it will light up the United States and the world as a whole.

Higher Level of Exchanges With U.S. Expected

OW1611083192 Taipei CNA in English 0753 GMT 16 Nov 92

[Text] Taipei, Nov. 16 (CNA)—Taiwan saw one after another Western country sending ministers to visit the once diplomatically isolated island in the past year. Now, it is expecting the United States to follow suit, diplomatic observers indicated.

Taipei has many reasons to believe that Washington will eventually lift a decade-old ban on ministerial-level contacts with the Republic of China (ROC) on Taiwan.

Most important of all, Taiwan has emerged as an economic power too big to be ignored by any members of the international community, especially the United States, its largest trading partner.

U.S. ministers have met their ROC counterparts on various occasions elsewhere in recent years. None of them, however, have been allowed to set foot on the island since Washington switched diplomatic recognition from Taipei to Peking in 1979.

But the world is not what it used to be 10 years ago, or even one year earlier. With the collapse of the Soviet Union, the Cold-War era of confrontation between two super powers has come to an end, and the economics is expected to play the dominant role in future world politics.

Sensitive to this change, Western countries have moved to take a new look at their relations with the economically dynamic Taiwan, which was the world's 14th largest trading country in 1991 and owns US\$90 billion in foreign exchange reserves.

Adding to Taiwan's attraction is its rapidly increasing investment overseas and a six-year national development plan boasting of creating a giant construction market of US\$326 billion with more than 750 infrastructure projects.

In recognition of Taiwan's economic strength and potential, many industrialized countries have finally brushed aside political pressure from Peking and sent high-ranking officials here to explore business opportunities for their enterprises hit by protracted economic sluggishness.

Recent development showed European countries have taken the lead in the competition for access to the Taiwan market, with France, the Netherlands, Belgium, Austria and Germany sending cabinet ministers to Taipei for "private" visits. They were followed by Australia and Canada.

The United States, however, remains the odd man out so far, apparently for fear of offending Communist China, which strongly opposes any countries making official contacts with Taipei.

But it is believed that there may be a change of mind by Washington, if not under the administration of President George Bush then under the next president Bill Clinton who will take office on Jan. 20.

The Bush administration had supported the Republic of China's accession to the Asia-Pacific Economic Cooperation Forum and is playing a leading role in helping Taipei enter the General Agreement on Tariffs and Trade.

President Bush even went as far as to sell 150 F-16 jet fighters to Taiwan. But he is still reluctant to offend his old friends in Peking by lifting the ban of ministerial visit to Taipei.

A possible last chance for President Bush to break the political taboo before he steps down, analysts suggest, is the upcoming annual meeting of the ROC-USA and USA-ROC economic councils, scheduled for Dec. 2-4 in Taipei. Two U.S. ministers attended for the first time in

12 years the last annual meeting of the two trade promotion organizations in Salt Lake City, Utah, last year.

If Bush fails to do so, Taipei will have to pin its hopes on the Clinton administration, which is committed to revitalizing the U.S. economy by, among other things, opening foreign markets. Taiwan, with annual trade of US\$36.4 billion and a surplus of US\$2.2 billion with the United States, apparently will be among them.

According to the authoritative FAR EASTERN ECONOMIC REVIEW, the transition papers for Clinton include a recommendation that the United States upgrade its official contacts with Taiwan and the newly elected president is expected to look favorably on the proposal.

American businessmen and democrats in Taiwan have petitioned the White House and Clinton's staff to send a high-level official to Taipei, says the Hong Kong-based magazine. "Some U.S. businessmen would also like to see a breakthrough even before the inauguration. This could involve Clinton sending a newly appointed cabinet minister before that official assumes office in January," it adds.

With its economic strength, observers say, Taiwan is expected to play a more active role on the world stage, no matter Peking likes it or not. And high-level visits to Taipei will become only natural for countries seeking closer economic and trade ties with the island out of consideration of their own national interests, they add.

Under pressure of growing international trade competition and in consideration on the improvement of its domestic economy, the United States may find it inevitable to change its stiff policy of avoiding high-level official contacts with Taiwan, the observers say. "It could be just a matter of time."

Defense Ministry Says F-16 Deal Signed

OW1611091292 Taipei Voice of Free China in English
0200 GMT 16 Nov 92

[From the "News" program]

[Text] A National Defense Ministry spokesman here stated that the U.S. and the ROC [Republic of China] signed an agreement on 12 November for the ROC to purchase F-16 jet fighters from the U.S. under the agreement, the U.S. will provide brand-new planes. The spokesman said that the U.S. will sell the ROC F-16A/B jet fighters and the model will be improved upon. The fighters will only go into test flights in 1993—that is, before production begins. The spokesman said that the quality of the planes is outstanding and is suitable for national defense purposes. The purchase of the F-16 jet fighters is the largest arms purchase made by the ROC in the past 40 years.

France To Sell Taipei Submarines, Fighters

OW1611091792 Taipei Voice of Free China in English
0200 GMT 16 Nov 92

[From the "News" program]

[Text] Paris has offered to sell Taipei its Rubis-class nuclear submarines as the two governments are coming close to signing a deal for 60 French-made Mirage 2000-5 jet fighters, the Chinese language UNITED EVENING NEWS has reported. The daily quoted an unidentified source as saying the ROC [Republic of China] Navy has received a message from Paris and is now evaluating the deal.

The French Rubis, one of the smallest submarines in the world, could be an ideal vessel to counteract possible Peking blockades of the Taiwan Strait, the paper quoted an unnamed ROC navy official as saying. No further details about the offer were given in the newspaper report.

If the submarine deal goes through, it would be the first nuclear submarine to serve in the ROC Navy. Currently, the ROC Navy has only two diesel electric submarines from Holland. France has appeared to be the most eager nation to sell the ROC advanced weapons since Washington lifted a decade-old ban in September.

President Li Hails Cross-Strait Rapprochement

OW1411090392 Taipei CNA in English 0756 GMT 14
Nov 92

[Text] Taipei, Nov. 14 (CNA)—Chinese people on both sides of the Taiwan straits should treasure their current rapprochement, President Li Teng-hui said Friday [13 November].

Li made his call in a ceremony honoring 50 public-spirited citizens and groups for their contributions to social education.

After more than 40 years of separation and confrontation, Li said, the two sides of the Taiwan Straits finally resumed civilian contacts and exchanges a few years ago.

"This is a marvelous achievement rarely seen in history," the president noted. "All Chinese should treasure this hard-won rapprochement."

Li stressed that anyone who purposely or unwittingly sabotages cross-strait harmony will be a "sinner" to be condemned by history.

"It is wrong to advocate Taiwan independence," Li said. "It is equally unjustifiable to threaten to use force against Taiwan on any excuse."

"Even more despicable is to disseminate misleading information that may strain or undermine cross-strait relations," the president added.

He pointed out that both native Taiwanese and mainlanders share the same blood and culture. Taiwan can never deny its historical ties with the mainland of China. Moreover, Taiwan needs the mainland as its hinterland to bolster its economic development in the long term.

Against this background, Li said he believes the independence movement cannot win the support of the people in Taiwan.

The president noted that the Republic of China [ROC] was established 81 years ago following the overthrow of the Manchu Dynasty. Although the ROC Government encountered many setbacks, it has continued to exist and has created an economic miracle known as the "Taiwan experience" over the past four decades.

"This reality should be recognized by all Chinese," Li remarked. "No one should intentionally deny our existence and achievement." [words indistinct] with its economic strength, the president said confidently, Taiwan can undoubtedly play an important role in the future development of the Chinese nation.

Li said he is fully aware that suspicion and animosity between the two sides of the straits cannot be melted overnight. "We'll promote cross-strait exchanges patiently and pragmatically in the hope that mainland people and authorities will finally have the courage to recognize us as an equal political entity," he added.

Survey Finds PRC Most Favored Investment Site

OW1411093992 Taipei CNA in English 0803 GMT 14 Nov 92

[Text] Taipei, Nov. 14 (CNA)—The Chinese mainland has become the most favored destination for local manufacturers to invest overseas, according to a survey by the Council for Economic Planning and Development.

The survey, conducted on 96 private companies in the local manufacturing industry in September and October this year, found that 32 percent of them have already invested abroad, and another 21 percent are considering overseas investments.

The Chinese mainland took the lion's share of the outbound investments, with 42 percent, followed by the United States and Malaysia, with an identical 22.6 percent, Thailand, 19.4 percent, and Indonesia, 16.1 percent, the survey shows.

Of those who plan to invest abroad, 80 percent selected the mainland as first choice for their overseas operations, Vietnam was the next, with 20 percent, and Indonesia, 16 percent.

The same survey also shows that the domestic investment willingness has been on the rise since the beginning of this year, with 51 percent of the polled, mostly in transportation vehicles, chemical industry and precision

machinery, increasing local investments; while 20 percent of them, mostly in leather and wood processing, reducing investments.

As to the major factors influencing investment willingness [words indistinct]

Strait Foundation Mission Leaves for Mainland

OW1311123092 Taipei CNA in English 0831 GMT 13 Nov 92

[Text] Taipei, Nov. 13 (CNA)—A nine-member mission headed by Shih Chi-ping, deputy secretary-general of the Straits Exchange Foundation (SEF), left for the China mainland Thursday [12 November] for a fact-finding tour.

The group will study the activities of businessmen from Taiwan in the Yangtzu Delta area and the investment environment there.

Members of the group will also visit cities with comparatively fast growing economies, including Shanghai, Nanjing, Zhengjiang, Changzhou, Wuxi and Suzhou, and meet economics and trade officials there.

Shih said before departure that they will also call on executives of big service establishments in Shanghai to assess the investment possibilities there. The Taipei authorities have recently approved investments by service industry on the China mainland.

Personnel of the Association (ARATS), SEF's mainland counterpart, will accompany the SEF mission during the visit. Shih will also meet with ARATS chairman Wang Daohan.

Fishing Boat Fired on by Mainland Vessel Returns

OW1311122892 Taipei CNA in English 0822 GMT 13 Nov 92

[Text] Keelung, Northern Taiwan, Nov. 13 (CNA)—The Taiwan fishing vessel "Huayi No. 616" reportedly fired on Thursday [12 November] by a mainland iron-hulled boat on the high sea returned to Taiwan Friday.

The radio station of the Kaohsiung Fishermen Association received a radio message sent by the Huayi No. 616 at 1:17 p.m. yesterday, saying that it was being chased and fired upon by a mainland boat.

The maritime incident occurred on the high sea at 27 degrees north and 125 degrees east, or about 200 nautical miles northeast of Taiwan, according to owner of the Kaohsiung-based fishing boat.

Tipped by Taiwan, two Japanese Maritime Safety Agency patrol boats came to the rescue of the Huayi 616.

The Huayi No. 616, with 15 Taiwan and six Philippine crew on board, left its base on July 26 for the fishing ground in the north Pacific.

XINHUA News Service Chief To Visit Taipei

OW1311122592 Taipei CNA in English 0820 GMT 13 Nov 92

[Text] Peking, Nov. 13 (CNA)—Zhu Youjun, president of the Peking-based CHINA NEWS SERVICE (CNS [ZHONGGUO XINWEN SHE]), left for Taiwan Friday for a week-long visit.

Zhu, 56, concurrently CNS editor-in-chief, is scheduled to arrive in Taipei Sunday.

He is heading a group of mainland Chinese economists and CNS executives to attend a seminar on changing economic relations between the two sides of the Taiwan Straits.

Prior to his departure, Zhu said the seminar, to be held Nov. 18-19, is jointly organized by the CHINA TIMES and the CNS. It is the first time that news organizations on both sides of the straits will co-sponsor an academic activity, he noted.

During his stay in Taipei, Zhu will also visit major news organizations to seek possible cooperative projects. He said cross-strait news exchanges should be expanded in order to enhance mutual understanding and lay a solid foundation for future cooperation in other fields.

A veteran journalist, Zhu has been CNS president since 1988.

The CNS is the second largest wire service on the mainland after the XINHUA News Agency.

With a workforce of more than 460, the CNS has 15 branch offices across the mainland. It also maintains offices in Hong Kong, Washington, Tokyo, Paris and Sydney.

Scholar Warns Against Fast Pace of Exchanges

OW1411093892 Taipei CNA in English 0808 GMT 14 Nov 92

[Text] Taipei, Nov. 14 (CNA)—A prominent mainland Chinese scholar warned against too fast a pace of exchanges between Taiwan and Mainland China, saying the development should run on a smooth course.

Yen Chiaqi, former director of Political Science Institute of the Chinese Academy of Social Sciences, was speaking Friday [13 November] in a seminar on Taiwan's strategy after the recent Communist Party congress.

Yen urged Taipei to think twice about its mainland policy, especially after Peking's recent party congress.

Yen said that Taiwan should cool off its overheated pace in the exchanges with Peking, otherwise, Taiwan risks losing social order and economic fruits achieved in the past four decades.

The scholar said that he could understand the anxiety of some people in Taiwan over the issue of unification of

China, but it is not feasible in practice, because the time is not yet ripe for such a development.

He noted the main barriers include the wide gap between the two sides and Peking's insistence on communism.

Yen also said that a "unified China" should adopt federal system. In this way, Taiwan's social and economic order can be preserved and it can counterbalance the central government.

He urged Taiwan to pay close attention to the development in the mainland when mapping out its mainland policy. Peking leaders reiterated the theory of sovereignty in its party congress, he noted, meaning that they would deny an equal treatment in the exchanges between the two sides of the Taiwan straits.

PRC Urged To Relax Restrictions on Journalists

OW1611100392 Taipei CNA in English 0819 GMT 16 Nov 92

[Text] Taipei, Nov. 16 (CNA)—News media here voiced their concern over Peking's announcement that it will simplify application procedures for Hong Kong and Macao journalists in reporting in Mainland China.

Taiwan media expressed the hope that Peking would similarly loosen restrictions on Taiwan journalists.

Yu Yi-lin, director of the mainland news center of CHINA TIMES, responded to the Peking announcement by saying that Peking has not improved its conditions for Taiwan journalists since strict restrictions on Taiwan journalists were imposed three years ago.

Yu expressed the hope that after Taipei's recent relaxation on mainland journalists, Peking would reciprocate.

Feng Chi-tai, director of the news department of Broadcasting Corporation of China, was not optimistic that Peking would treat Taiwan journalists, and their Hong Kong and Macao counterparts on an equal footing. Nevertheless, news coverage should not be restricted, he added.

Hsu San-li, a mainland news reporter in the UNITED DALIY NEWS, urged Peking to allow Hong Kong, Macao, and Taiwan journalists to go to [the] mainland for a detailed and objective reporting, and not to place any restrictions on the subjects of news coverage.

The Hong Kong and Macao Affairs Office of the Peking State Council announced Friday that it would simplify the application procedures of Hong Kong and Macao journalists, scrapping the rule on applications 15 days before the reporting assignment.

Though Taiwan reporters are currently not subject to the 15 days restrictions, they are tied by rules concerning the time, the place and the subject of their news coverage.

Taiwan journalists have to submit the mandates of their news media, resumes and detailed reporting projects

when applying for their reporting assignments. After Peking's approval, the time span of their stay is limited to one month.

Once Taiwan journalists enter mainland, they must get a reporting pass, which is valid for only one reporting assignment.

Peking also bars Taipei media from employing mainland residents, foreigners, or Hong Kong and Macao residents, as their stringers for reporting news in Mainland China.

Peking has allowed foreign countries to station journalists on a long-term basis in mainland, but is discriminating against its own compatriots by not allowing Taipei news media to set up offices in Mainland China.

PRC Economists Delegation Arrives for Visit

OW1611100292 Taipei CNA in English 0830 GMT 16 Nov 92

[Text] Taipei, Oct. 16 (CNA)—A nine-member delegation of mainland economists, led by Zhu Youjun, director of the Beijing-based CHINA NEWS SERVICE [ZHONGGUO XINWEN SHE], arrived in Taipei Sunday [15 November] for a 10-day visit.

They were invited by a local daily, CHINA TIMES, to participate in a seminar on "bi-coastal trade relations in transition" Nov. 18-19. CHINA TIMES, the sponsor, said the seminar aims to promote a sound and complementary development of news and trade exchanges between Taiwan and the mainland.

Zhu, the highest-level newsman that has ever visited Taiwan, expressed his happiness upon arriving here and said he was optimistic about the future development in all aspects of relations between the two sides.

This is their first visit to Taiwan and all of them have shown great interest in Taiwan's development. The delegation visited the Core Pacific Securities Co., Ltd. Monday [16 November] morning in Taipei and pointed out that Taiwan's experience in developing its stock market is very precious and can be used to develop the mainland's stock market.

While here, they will also call on Straits Exchange Foundation Vice Chairman C.V. Chen and Secretary General Chen Jung-chieh, tour cultural and economic institutions, and travel down to the south.

Trade Gap With Japan Threatens Economy

OW1311123392 Taipei CNA in English 0842 GMT 13 Nov 92

[Text] Taipei, Nov. 13 (CNA)—The mounting trade deficit with Japan, if not properly checked, could pose a major barrier for the further development of Republic of China [ROC] economy, the Council for Economic Planning and Development (CEPD) warned Thursday [12 November].

Customs statistics indicated that the nation's trade deficit with Japan surged to US\$10.59 billion in the 10 months ending in October, a 33.6 percent rise over the same period of 1991.

"The tallies are a strong signal that the chronic trade imbalance has become so pressing that its resolving 'cannot wait another moment,'" warned an official with the CEPD, the nation's highest government economic planning body.

He attributed the widening trade gap with Japan in the past year to Taiwan's booming export to Hong Kong, because products using Japanese raw materials and parts compose a large part of the Hong Kong-bound shipments.

"Under the circumstances, the more we export to Hong Kong, the more we will have to import from Japan," the official explained.

Taiwan's trade surplus with Hong Kong advanced 29.4 percent to US\$10.96 billion during the 10-month period.

"In a word," the official pointed out, "local companies are nothing but plants doing the job of industrial parts processing for Japan."

He said that if the trend continues, local companies, though with thin profits, could hardly break through the control of Japanese companies technologically.

Meanwhile, the Ministry of Economic Affairs has completed a five-year plan to promote sales of Taiwan-made products in Japan.

Highlights of the plan include sponsoring Taiwan product shows in Japan, organizing trade groups to that country, setting up Taiwan trade centers in Japan's major cities, and helping business and industry associations establish posts there.

Vice Minister Urges Using Japanese Development

OW1411094592 Taipei CNA in English 0820 GMT 14 Nov 92

[Text] Kaohsiung, Nov. 14 (CNA)—Japan's success in economic development set a good example for Taiwan to follow, Vice Economic Affairs Minister P.K. Chiang said Friday.

The vice minister made the remarks while addressing the opening ceremony of the symposium on Japanese modernization at National Sun Yat-sen University here. More than 100 scholars, government officials, and entrepreneurs attended the symposium, which will close today.

He said that Japan's quick rise from World War II debris was mainly attributable to its remarkable achievements in high-tech industries and business management as well as the humanistic nature of its traditional culture.

The major factors prompting Japan's economic success could serve as good references to Taiwan, he noted.

Also speaking at the occasion, President Lin Chi-yuan of National Sun Yat-sen University pointed out that Taiwan should attach importance to Japan's success in modernization, since the two countries have been very close in political, economic, and cultural ties.

Kiyoshi Yoneda, director of the Kaohsiung Office of Japan's Interchange Association, noted that cooperation among the industrial sector, academicians, and the government made Japan an economic power house today.

On the snowballing trade deficit Taiwan registered with Japan, the Japanese representative said that both sides should work together to strengthen strategic alliance in order to promote industrial upgrading in Taiwan.

Vice Minister Chiang further pointed out that the government started this year implementing a five-year plan to narrow the worsening trade imbalance with Japan.

Under the plan, he said, the business sector is continuing to explore Japanese markets, train more personnel, and induce Japanese manufacturers to set up plant here to produce components and parts.

Moreover, the ever-increasing visits here by high-level Japanese officials will help redress the trade deficit, he said, adding that Secretary-General Tamizuke Watanuki of Japan's ruling Liberal Democratic Party is scheduled to head a large Japanese Diet mission to visit Taiwan next week.

President Says Independence Self-Destructive

OW1411090192 Taipei CNA in English 0740 GMT 14 Nov 92

[Text] Taipei, Nov. 14 (CNA)—President Li Teng-hui reiterated Friday [13 November] that Taiwan independence is a dead-end road which will only lead to self-destruction.

Meeting more than 150 members of the Overseas Chinese Affairs Commission, the president stressed that "our policy is to insist on the Republic of China [ROC]."

"This policy will never change, and no one should ever doubt it," he asserted.

Li thanked the overseas Chinese leaders for supporting the government and serving overseas Chinese community members.

"During the past century, overseas Chinese have played an active and important role in the development of the Republic of China," he said.

"I would like to repeat that without the support of overseas Chinese, the Republic of China would not have been what it is today," he told the commission members.

Looking ahead, he continued, the government will need the continued support of overseas Chinese in its grand enterprise of unifying China under a free and democratic system.

"Only the support of the [words indistinct] overseas Chinese communities will facilitate an early success in unifying China," he added.

[Words indistinct] the recent adjustment in the government's mainland policy, Li explained that "simply put, we have changed our methods for promoting political democratization and economic liberalization on the mainland."

Previously, the government adopted an emergency decree on "the general mobilization for the suppression of communist rebellion." It is now changed into a "peaceful and gradual" approach.

"We hope that ideological and economic gaps between the two sides of the Taiwan Straits will be gradually narrowed and that national unification will be achieved in stages," Li said.

He emphasized that the government's mainland policy aims not only to ensure the safety and wellbeing of the 20 million people on Taiwan but also to bring a bright future to the 1.2 billion mainland compatriots and all those overseas Chinese who have not forgotten their motherland.

"Our ultimate goal is to make all Chinese feel proud of being Chinese in every crook and corner of the world," he said.

Li Calls For Basing Culture on Ancient Roots

OW1311122992 Taipei CNA in English 0827 GMT 13 Nov 92

[Text] Taipei, Nov. 13 (CNA)—President Li Teng-hui Thursday [12 November] called on all sectors of the nation to make concerted efforts to revive the traditional Chinese culture.

Li said cultural renaissance does not mean returning to the old-time customs, but creating new life from old roots.

Addressing the National Cultural Volunteers' convention at the Chungshan Building in suburban Taipei, Li said there were a great number of good essence in the old Chinese culture which people in Taiwan should observe and emulate.

Li said he is pleased to find that a growing number of people here are attaching greater importance to cultural and artistic work so as to enrich spiritual life in society. He also said it should be started at the community level to promote culture and arts.

The National Cultural Volunteers convention, jointly sponsored by the Council for Cultural Development and

Planning and the Chinese Cultural Renaissance Association, was held coincidentally on the birthday of Dr. Sun Yat-sen, Chinese Cultural Renaissance Day.

Seven owners of leading enterprises, including Yueloong Motor Co. and IBM Taiwan, were cited during the convention for their great contributions to cultural

reconstruction. Another 993 volunteer workers were also honored for their unselfish devotion to cultural and artistic affairs.

Also speaking to the convention, Premier Hao Po-tsun encouraged the volunteers to "enjoy their sacrifice" and to "sacrifice their enjoyment."

Hong Kong

Future PRC Action To Have 'Great Impact'

HK1511082192 Hong Kong MING PAO in Chinese 15
Nov 92 p 17

[By staff reporter Hsiung Chen-ying: "Interview With Shiu Sin-por, Executive Director of One Country, Two Systems Economic Research Institute: China Would React Strongly If British Hong Kong Government Forces Political Reform Package Through"]

[Text] Shiu Sin-por, executive director of the One Country, Two Systems Economic Research Institute, has said: In the coming four and a half years of the pretransitional period, the Chinese Government will not sit by and watch as the British Hong Kong Government carries out the political reform package which violates the Joint Declaration and which pays no heed to convergence, and everyone will know in the near future what action the Chinese Government is going to take. He said he believed that this action, once decided, will be taken immediately and will make a great impact. Shiu Sin-por, deputy secretary general of the former Basic Law Consultative Committee, is now serving the One Country, Two Systems Economic Research Institute, which is closely related to the Chinese side.

Shiu Sin-por said in an interview with this reporter: The present war of words between the Chinese and British sides is different from past disputes on whether direct an election should be introduced, and on how many directly elected seats we should have. As far as these past disputes were concerned, compromise could be reached through bargaining and mutual understanding and concessions, but the present issue is that what the British side is doing may be equivalent to forsaking the Joint Declaration, and the British side has, at the least, violated the requirement for smooth transition as stated in the Joint Declaration.

He said that the Chinese Government is considering how to handle this situation, and he believed that China would take immediate action, which would make a great impact. He also said that all of us would know China's decision soon and the people of Hong Kong should also seize this opportunity to soberly think the whole controversy over.

The content of Shiu's interview is abstracted as follows:

[Hsiung] In your opinion, how should the people of Hong Kong assess the present situation?

[Shiu] I think the set of logic embraced by the Hong Kong people and by many opinion and political leaders is very similar to that embraced by students who slept in Beijing's Tiananmen Square in May, 1989. They think they have a set of reasons, holding that the Chinese Government would not take stern actions to solve the problem. Many people in Hong Kong also feel that the whole thing, in the worst case, can start "all over again"

when the time (referring to 1997) comes. Some people believe that when the measures are effectively carried out, the Chinese Government will not change them, it will not have any reason or will not be able to change them. I think that these reasons are all wishful thinking.

At present, there is another set of logic in Hong Kong; that is, with so much investment in Hong Kong, China will not allow Hong Kong to become chaotic. Also, many people from mainland provinces and cities are investing in Hong Kong, they will exert pressure on the central government, and the central government will not go too far toward Hong Kong. All these remarks have their own justification, but the danger is that all of them are really one-sided.

[Hsiung] What, then, is the real picture?

[Shiu] You have to ask Beijing this question. Whether or not what Beijing has said is reasonable, she has reacted very strongly. If the British does use these four and a half years in Hong Kong to unilaterally brush aside the Joint Declaration, the Basic Law, the seven diplomatic correspondences, or other documents; to abandon an understanding reached; and to work out a new set of issues, the Chinese Government will consider what the whole thing is all about.

[Hsiung] As the controversy continues, what action will the Chinese Government take?

[Shiu] I will only mention one point. The Chinese Government will not respond four and a half years from now. Some people believe if China does not like things, then everything can "start all over again" in four and a half years. They believe that China will "sit by and watch for four and a half years," "watch how you do it in these four and a half years, and clear up the situation after you have made a mess of it." I think that no responsible government or official would ever do this.

Now, the Chinese Government must be spending much time and devoting much energy in considering how to handle this situation. I believe that she will take immediate action, which will have a great impact, but consultation is not yet finished, and no action has been taken.

[Hsiung] Does the British Government underestimate the grave situation at present?

[Shiu] I cannot say the British Government underestimates the grave situation. The question is not about overestimates or underestimates, but about the fact that there are a number of blind spots which they cannot see, even though someone has told them the Chinese Government has reacted strongly. Since he [as published] has his own set of logic, he does not take heed of others' views, regarding them as views unworthy of being listened to. Catastrophic events in history occurred this way from time to time. Catastrophic events always took place because of a misunderstanding between both parties and because of wrong judgment.

PRC Issues 'Stern Warning' on Airport
*HK1411055692 Hong Kong SOUTH CHINA
MORNING POST in English 14 Nov 92 p 1*

[By Fanny Wong]

[Text] China last night issued a stern warning to the Hong Kong Government against pressing ahead with the Chek Lap Kok airport site formation contract without first securing an overall financing agreement with Beijing.

A late-night release from the New China News Agency [NCNA, XINHUA] said that the British-Hong Kong authorities would have to bear "all consequences arising from that decision".

A representative of the Chinese side of the Joint Liaison Group (JLG) was quoted as saying that one consequence might be that the franchises for handling air cargo and fuel at the new airport would not be honoured beyond July 1, 1997.

The warning against what China believed to be a unilateral move by the Government to build the airport alone was issued as the Sino-British row over political reforms proposed by the Governor Mr Chris Patten escalated to new heights.

The Chinese JLG official's comment was prompted by a report that the Government was considering asking the Legislative Council Finance Committee to award funds for site formation, the current \$8 billion tender for which expires at the end of this month.

The Government reacted promptly to the threats implied in the NCNA release, issuing its own statement that consideration of the contract was never a "go-it-alone" option on airport financing, but an attempt to keep the overall project timetable on track.

"We are examining ways of moving ahead with the airport project on a step-by-step approach that enables us to carry out our obligations under the Memorandum of Understanding in a practical and realistic way," he said.

"The first such step will be a decision on the airport site preparation contract, which the Chinese side suggested in July we should finance directly in advance of an overall agreement on financial packages for the airport and airport railway.

"This is not, and never has been, a go-it-alone option. It is a step by step approach in accordance with the MOU, aimed at maintaining progress on the Airport Core Programme.

"As the Governor has said, we are keeping the door open for agreement with the Chinese side. This has always been our first priority."

But the NCNA quoted the JLG representative as accusing senior officials of the British Hong Kong administration of totally ignoring the Memorandum.

He said the administration, through various channels, had repeatedly floated the idea of going it alone to build the airport.

"The British side is also preparing to ask the Finance Committee for the funds to grant the site formation contract before any agreement (on the financial package) is secured.

"Because of this, the Chinese side has no choice but to solemnly and justly point out that if the British side breaches the spirit of the MOU by taking this unilateral action, the Chinese side is adamant that it is absolutely unacceptable and any consequences arising from that have to be borne by the British side."

The Chinese statement reiterated that only seriously implementing the MOU would be conducive to finding a solution.

Noting that tenders for airport cargo handling and the fuel farm are being invited now, the NCNA representative said the Chinese side seriously pointed out that any franchise straddling 1997 would require consultation of the two sides, otherwise they would become invalid on the change-over.

Senior cadres in China are reported to have been told that the new airport project could be aborted if the current war of words continued and that the central Government had already mapped out a contingency plan.

Under the proposal, the Shenzhen Huangtian airport would be expanded to cope with additional pressure on Kai Tak airport, according to the report.

Text of Spokesman's Comment on Airport Plan

*OW1511092092 Beijing XINHUA Domestic Service in
Chinese 0808 GMT 15 Nov 92*

[Text] Hong Kong, 15 Nov (XINHUA)—A spokesman for the Chinese Representative Office of the Sino-British Liaison Group made a statement today in connection with the British side's announcement that it will build the new airport unilaterally. The full text of the statement follows:

The Chinese and British sides held a high-level meeting in Beijing in early June this year to discuss the financial arrangements of the new airport. Since the British side upheld its plan which seriously violated the provisions in the Memorandum of Understanding, the two sides did not reach an agreement. To not affect the project's progress and show the Chinese side's sincerity in supporting the construction of the new airport, the Chinese side suggested at that time that the British Hong Kong Government may allocate funds and approve the contract for the urgent project of the new airport site reclamation while both sides continue their efforts for an agreement on the airport's overall funding arrangements. However, at meetings of the Airport Committee held on 16 and 30 July, the British side clearly opposed the suggestion of the Chinese side, saying that it would be imprudent, risky, and incorrect to allocate large amounts of funds before an agreement was reached on the overall financial arrangements. Speaking at a symposium of the Hong Kong General

Chamber of Commerce on 17 July, Mr. David R. Ford, chief secretary of the Hong Kong Government, openly called the suggestion of the Chinese side unwise. The British side is now going back on its word and trying to use the suggestion of the Chinese side as the basis to ignore the memorandum and build the new airport unilaterally.

The Chinese side put forward the suggestion in accordance with the situation at that time, but it was categorically rejected by the British side. Later, owing to high ranking officials of the British Hong Kong Government disregarding the provisions of the Memorandum of Understanding and repeatedly creating new problems, significant changes have taken place in the situation, and the suggestion put forward by the Chinese side in July has lost its original meaning. Therefore, the Chinese side cannot help stating that the Chinese side will not support the British side's unilateral actions which run counter to the spirit of the memorandum.

Legco's Motion Escalates Challenge

OW1411115092 Beijing XINHUA Domestic Service in Chinese 1057 GMT 14 Nov 92

[Text] Beijing, 14 Nov (XINHUA)—Answering a reporter's question in connection with the Hong Kong Legislative Council's [Legco] recent debate and passage of a revised motion submitted by Legislator Jimmy McGregor, a spokesman for the Hong Kong and Macao Affairs Office under the State Council pointed out: This shows that Hong Kong Governor Chris Patten has no intention of consulting with China, that he has flagrantly discarded the principles which converge with the Basic Law, and that he wants to continue to follow the erroneous course of violating the Sino-British Joint Declaration, the Basic Law, and the understanding reached by the Chinese and British Governments. This means that Patten is escalating his challenge to China.

The spokesman said: We want to admonish Patten one more time not to play any more political tricks. The only good way to deal with the issue is to return to talks along the track of the Sino-British Joint Declaration, and any legislative arrangements which are unable to converge with the Basic Law on 1 July 1997 will have no future.

Editorial Says Stability, PRC Ties Vital

HK1411081292 Hong Kong WEN WEI PO in Chinese 14 Nov 92 p 2

[Editorial: "China's Prosperity and Hong Kong's Prospects"]

[Text] Last week, the Asian Development Bank [ADB] issued its forecast of the economic development in the Asia-Pacific region. On "Asia's four little dragons," the ADB maintains that aside from Hong Kong, the Taiwan region, Korea, and Singapore will experience slower growth because they all face problems, such as the continuing rise in labor costs and soaring land prices. The reason that Hong Kong is an exception to the rule is because it has the vast southern Chinese hinterland to fall back on.

This ADB assessment is authoritative. In fact, members of Hong Kong's industrial and commercial sectors, including the heads of some British consortiums, hold similar views. These represent the industrial and commercial sectors' personal experience gained through their own operations.

There are still four more years before the Chinese Government resumes sovereignty over Hong Kong. After Hong Kong becomes a special administrative region, the prospects of its economic growth may be seen from the current economic relations between China and Britain. As China develops in the 1990's and the socialist market economic system gradually falls into place, Hong Kong will gain more economic opportunities and benefits, and these will be extremely useful to the industrial and commercial sectors and other sectors as well as to the masses of residents.

Hong Kong boasts a very favorable geographical location which offers an outlet to the sea for southern China. This geographical advantage will only come into full play after China is integrated with the world in economic terms. As a rare and fine natural harbor, Hong Kong's real development occurred only after World War II, or principally at the start of the 1950's. While Hong Kong's economic take-off may be attributed to several factors, its economic links with the Chinese mainland was an indispensable factor.

Before the introduction of reform and opening up in China, the main features of economic and trade exchanges between the mainland and Hong Kong were the mainland's supply of supplementary foodstuffs to Hong Kong and the transit of various kinds of commodities. Hong Kong's industrial commodities were primarily intended for export overseas. This easily gave people the wrong impression that as long as Hong Kong trades its products with other places (mainly the industrially developed states), then Hong Kong's economy will grow unabated. Compared with today's Taiwan, Korea, and Singapore, the importance of the Chinese mainland to Hong Kong is all but evident. Just note: Could Hong Kong's manufacturing industry maintain a high growth rate were it not for the presence of a vast hinterland, a huge market, and substantial labor and land? Could Hong Kong's financial and service sectors be flourishing so?

Since the introduction of reform and opening up, China has provided Hong Kong's capital with a large, excellent investment venue which allows Hong Kong's industrialists and businessmen ample room to display their abilities. As the mainland accelerates its economic construction and opens up its markets, investments and business operations in the mainland by Hong Kong businessmen have become extremely popular. The economic borders separating China and Hong Kong are vanishing as the entire Zhujiang delta region turns into the liveliest region in world economic development today. This region not only boasts of big cities like Hong Kong and Guangzhou, which have populations of millions and newly emerging industrial cities like Shenzhen, but it also has numerous small and medium cities which grew rapidly in the 1980's. The entire Zhujiang delta region is becoming a gigantic export processing zone. How many such booming regions are there in the world? No wonder German

entrepreneurs are in awe of such sustained prosperity in East Asia, and the source of prosperity in East Asia comes from reform and opening up as well as the promotion of a market economy in China. Any person in his right mind could have drawn such a conclusion.

At the moment, Hong Kong is confronted by its best development opportunities since it opened its ports. It is expected that economic exchanges between Hong Kong and the mainland—which grew increasingly close in the 1980's—will become even closer in the future and will benefit the two sides. Hence, the stability of Hong Kong society and its excellent ties with the mainland are of utmost importance. Here lies the interest as well as lifeline of Hong Kong. Only China's prosperity can make Hong Kong even more prosperous. Therefore, if the idea which seeks to change Hong Kong's existing political system drastically were to come true, it would definitely undermine the smooth transition in Hong Kong, cause unnecessary shock to Hong Kong society, and hinder Hong Kong's economic development, with the Hong Kong people suffering the most. China's influence cannot be obstructed, and China also has the ability to ensure that Hong Kong remains prosperous and stable after 1997 and that it advances along the path of the Basic Law. The ties between Hong Kong and the mainland are as close as two persons sharing the same lot. The gamble of a politician will eventually end in his own failure. "A thousand sails pass by the shipwreck, ten thousand saplings shoot up beyond the withered tree"—this will be the description of a more prosperous Hong Kong and mainland after the upheaval!

XINHUA Official Says Patten 'Irrational'

HK1411050292 Beijing ZHONGGUO XINWEN SHE
in Chinese 1338 GMT 13 Nov 92

[Text] Hong Kong, 13 Nov (ZHONGGUO XINWEN SHE)—Zhang Junsheng, deputy director of the XINHUA Hong Kong branch, said here this morning that he was not surprised by Mr. Patten's remarks in Canada because he believed the latter would have said that judging from what he had said and done in the past few months.

Zhang made these comments when interviewed by reporters after attending the "symposium on the Tumen Jiang Delta development plan." He pointed out: Mr. Patten called for rational discussion. That is very good, but we should judge people by their deeds, not just by their words. He has never discussed problems in a rational way. For example, he kept on asking people how his constitutional package had contradicted the Basic Law. Over the past month or so, a lot of views have been expressed by the people from various circles in Hong Kong and many articles have been published by newspapers, pointing out point by point how he had run counter to the Basic Law, but he has just turned a blind eye and deaf ear to this. Is this rational? As everyone can see, he has willfully attacked and even heaped abuse and put pressure on those who disagreed with him. In

Canada, he was still railing against those who had criticized him, saying they were empty-headed.

Please look at the remarks he made before leaving for Canada. In those remarks, he was very pleased with himself for having evoked this open debate. This shows he was attempting to undermine the Joint Declaration, undermine convergence with the Basic Law, and undermine the understanding and agreements reached between China and Britain. He even said the agreements reached by both sides in the past were unfair and secret and were, therefore, not in conformity with the interests of the Hong Kong people.

When told that some foreigners had openly expressed their support for Chris Patten, Zhang Junsheng said that on this issue, the spokesman of the Chinese Foreign Ministry had already stated the solemn and just stand of the Chinese Government yesterday. The Hong Kong issue is an affair to be handled by both the Chinese and British Governments before 1997, but it will be an internal affair of China after 1997. No other countries have the right to interfere in it.

'Shocks' 'Inevitable' Without Convergence

HK1311131092 Hong Kong WEN WEI PO in Chinese
13 Nov 92 p 2

[Editorial: "Without Convergence, Shocks Will Be Inevitable"]

[Text] Chris Patten has provoked a great dispute over the political system, seriously dividing Hong Kong people and pushing the Legislative Council [Legco] toward the road of confrontation with China. He has made the situation more complicated and has less room to maneuver.

A spokesman for the Hong Kong Branch of the XINHUA News Agency pointed out: "This Legco debate proceeded under pressure from the British Hong Kong authorities. This is another clear proof that the British Hong Kong authorities have turned a deaf ear to repeated advice from the Chinese side and to opposition from people of all sectors in Hong Kong; have acted willfully and discarded openly the principle of converging with the Basic Law; are sliding downward along the road of running counter to the Sino-British Joint Declaration, the Basic Law, and the agreements and understandings reached between the Chinese and British Governments; and are wantonly disrupting Hong Kong's prosperity, stability, and smooth and steady transition. The British Hong Kong Government must be totally responsible for all consequences arising from this."

But how did Chris Patten respond to this? He immediately said that there is in fact a limit to "rewriting" the political proposals and that the Chinese side's advice is mere "empty threats." This reflects that Chris Patten is going farther and farther in obstinately pursuing a policy out of convergence with the Basic Law. By using pressure to compel Legco to support his political proposals, he has in fact increased his leeway. Senior Hong Kong Government officials admitted

that they had "lobbied" Legco members into supporting the governor. But facts prove that the means used by the Hong Kong Government were very sordid. It even used the means of withdrawing seats when the Legco members whose seats are to be recovered are precisely those who disagree with Patten's proposals. Councillor Elsie Tu pointed out that the fact that Chris Patten forwarded the political "proposals" in the form of his "policy address" means it is in fact a concrete decision. What he means by consultation is mere unilateral explanation. Chris Patten challenges any person who holds a different view. Others who make queries or express different views are morally threatened.

Everyone can see that although Chris Patten has asked Legco members to put forth their views, they must conform to his preconditioned requirements or else they amount to differing from [the opinions of the] "Hong Kong people." He also threatened them, by saying that "they will pay the price some day" or "bear the consequences."

Under threats from Jimmy McGregor, a nonconvergence Legco member and former director of industry and commerce, some Legco members said, "If Legco members do not support Patten's proposals, they must resign." Therefore, one can see what the "lobbying" was. It was only highhanded means.

The fact that Chris Patten has forced Legco to bear responsibility for his unilateral political reform and has had Legco make a decision is intended to create division in Hong Kong and force the "nonconvergence faction" to stand up to the "convergence faction." The Hong Kong governor is the head of the "nonconvergence faction," while the "convergence faction" consists of people holding different views. Now that political power is in British hands and in Patten's hands, adherents must follow him and become his "public opinion" signboards.

At the moment, Patten no longer mentions the Joint Declaration, the commitments in letters by the Chinese and British foreign ministers, or convergence with the Basic Law. He even said on television: "These documents are secret deals and are unfair. There will be no more secret negotiations in the future." All diplomatic negotiations around the world are kept secret to make it easy to make progress in the negotiations. How can this be a reason for him to go back on his word after all this? These remarks show that he intends to tear up the agreements and intentionally violate international law by doing something else. There is no limit to his set of political development proposals: Everything is done in accordance with "public opinion" and with "Legco's self-determination." However, all this "public opinion" machinery is held in the hands of British-appointed Legco members and British-supported political parties. If this continues, it will be very easy for Hong Kong to take the path of former British colonies to "self-determination" and "establishing democracy overnight while at the same time losing the mechanisms for political stability and economic development." The British have ruled Hong Kong for over 150 years now, but they have never granted democracy to Hong Kong people. By

granting Hong Kong people "democracy" in October 1995, which will only last for 18 months, Chris Patten is attempting little tricks and to make trouble on the question of the change of political power. Once the British withdraw in 1997, Hong Kong will be immediately bogged down in shocks and chaos.

The Sino-British Joint Declaration provides that Britain will return Hong Kong to China on 1 July 1997 and that Britain and China will negotiate and deliberate matters relating to the changeover of political power during the latter transition period. That the constitutional package, which Chris Patten unilaterally forwarded and which does not converge with the Basic Law, won support in Legco shows that Britain does not intend and is unable to implement the Joint Declaration. Precisely because of this, the Chinese side officially stated that the "British Hong Kong authorities must be totally responsible for all consequences arising from this." Both the troublemaker and the provoker are the British Hong Kong authorities. The nonconvergence policy will inevitably harm the Joint Declaration's cooperation mechanisms and arrangements. It will lead to division among Hong Kong people, confrontation in political relations, a turbulent situation, and an uncertain future. It will lead to tense Sino-British relations, affect all negotiations and friendly relations during the transition period, and impact on Hong Kong's economic prosperity. All this is what the British Hong Kong authorities intend to create, so the responsibility must be clarified. Now that Chris Patten has turned a deaf ear to advice, he must bear responsibility for his nonconvergence policy.

PRC Media Questions Patten's 'Popular Will'

HK1411064192 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 13 Nov 92 p 5

["Chattering in Hong Kong, Taiwan, and Macao" column by Xu Ping (1776 1627): "It Is Hoped That Patten Will Respect Popular Will"]

[Text] How exactly does Patten, this self-appointed "presenter" of Hong Kong democracy and "representative of popular will," represent the popular will? Let us examine his recent words and behavior.

On 9 November, the Hong Kong Business and Professionals Federation issued a statement outlining its pertinent views on the development of Hong Kong's political system and expressing the strong belief that a smooth transition to 1997 and convergence with the Basic Law were most consistent with the Hong Kong people's interests. The organization had notified the Hong Kong governor before issuing its statement, hoping that the governor would meet with them and listen to their views. However, Patten not only ignored this, but instead, told a reporter: "If the business community's proposal is too divergent from my proposal, then it will be very unhealthy to the development of the entire society. Because my proposal has the support of many people in society."

It is common knowledge that the industrial and commercial sectors play a very important role in Hong Kong's prosperity and stability, hence their views should be taken heed of. The Business and Professionals Federation statement outlined the well thought out views proposed by the association's more than 150 members after a democratic process; it reflected the industrial and commercial sector's voice and represented a segment of Hong Kong's popular will. Moreover, any organization has the right to present its own position and voice its views, while no one has the right to insist that the views of others should include certain features. Hence, Patten's stifling [ya zhi 1090 0455] of the Business and Professionals Federation is contradictory to his so-called principle of "fairness, openness, and acceptance by Hong Kong people." One cannot but ask: Given the stifling of such dissenting views, what kind of "popular will" does this "representative of popular will" represent?

Patten is well aware that his "constitutional reform proposals" will eventually have to be passed by the Legislative Council [Legco]. Under the circumstances where the majority of Legco members have raised questions and objections to the proposal, he has, on one hand, set aside the proposal on the establishment of a "commission on government and Legco affairs" as outlined in his "constitutional reform proposals" and adopted a certain stance; on the other hand, he has continued to put pressure on the Legco members and even threatened them: "If the Legco members veto my proposals on political reform, the members will not only have to answer to the people of Hong Kong, but they will have to pay a price." What is "democratic" about such a coercive stance?

Popular will is inviolable. Mr. Patten is well advised not to pit himself against popular will. The genuine popular will in Hong Kong is not a ridiculous declaration of political wager nor an "awful mess" of crises and turmoil left over by the last Hong Kong governor. The aspiration of the Hong Kong people is the realization of convergence with the Basic Law and achievement of a smooth transition as well as preservation of prosperity and stability in Hong Kong in line with the Sino-British Joint Declaration and the understanding reached by the two sides.

Editorial on Support

HK1611090092 Hong Kong WEN WEI PO in Chinese in Chinese 12 Nov 92 p 2

[Editorial: "Without Sino-British Consultation, There Will Be No Smooth Transition"]

[Text] Yesterday, the Legislative Council [Legco] adopted a motion advanced by Jimmy McGregor and gave its go-ahead to Chris Patten's constitutional reform package. The scenario itself was extremely funny. The motion was originally advanced by Christine Loh, who was Chris Patten's hand-picked councillor. Loh's motion was then amended by Jimmy McGregor, a Briton who was once secretary for trade and industry of the Hong Kong Government. Thus it would have been strange if both had failed to profess their support

for Britain's political reform package. As far as the United Democrats of Hong Kong [UDHK] are concerned, one can see from the head-of-state reception accorded to Martin Lee and Yeung Sum by Prime Minister John Major that the UDHK is a political organization which opposes China with complete British support. Yesterday, the Hong Kong Government also brought pressure to bear on a number of councillors in an attempt to control their votes. It also mustered whatever forces the British could in an attempt to ensure a successful adoption of the aforementioned motion, which not only failed to converge with the Basic Law, but also obstructed a smooth transition. However, what it did could in no way change the existing structure whereby China and Britain must consult with each other on matters concerning power transfer.

The Legco is, after all, an organization within the British Hong Kong Government administrative structure. Hong Kong is neither an independent country nor a sovereign entity. Hong Kong is wholly administered by Britain. Britain cannot transfer its administrative power to anybody. The Legco does not have a position in the Sino-British Joint Declaration and thereby has no power to make any decisions on matters regarding power transfer. Moreover, both the "Royal Prerogative" and the "Letters Patent and Royal Instructions," two legal documents of Hong Kong, also contain such a clear-cut provision—The Legco has no power to make any decisions that run counter to Britain's diplomatic commitment, including treaties, agreements, and promises. The British Government is a political and sovereign entity. Therefore, all international treaties and agreements signed by the British Government should be implemented by the British Government and the officials fully representative of the British Government. Should it authorize any of its subsidiary institutions or employ any other means to nullify its own commitments, Britain would violate both the international law and the international conventions, thereby working to no avail. To instigate "a desire within the Legco to map out a political system which will transcend 1997" also constitutes a deviation from the Joint Declaration.

The Sino-British Joint Declaration stipulates in no uncertain terms: The UK Government declares that it will restore Hong Kong to the PRC with effect from 1 July, 1997. The PRC Government will implement, as of 1 July 1997, all its principles and policies regarding Hong Kong as elaborated in detail in Annex I to the Basic Law. To ensure a smooth transfer of government in 1997, and with a view to the Joint Declaration's effective implementation, a Sino-British Joint Liaison Group [JLG] will be set up when the Joint Declaration enters into force, and it will be established and will function in accordance with the provisions of Annex II to the Joint Declaration. In the second half of the transitional period, the UK and PRC Governments will closely cooperate with each other in discussion and examination of all measures aimed at a smooth transition in 1997.

If it has real sincerity in implementing the Joint Declaration, Britain should cooperate with China and converge with the Basic Law. All measures aimed at a smooth transition should be submitted to the JLG for deliberation. The two governments should try to settle their differences through bilateral consultation. To try to have differences ironed out in a legislative council under the British control would definitely render the British legally groundless, thus causing harmful consequences which would in turn interfere with and damage both the mechanism and procedure of the Joint Declaration. Failure to abide by the Basic Law would only undermine Hong Kong's future stability and cause both division and turbulences in Hong Kong. Are the British still honoring their commitment made in the Joint Declaration of administering Hong Kong and safeguarding Hong Kong's prosperity and stability?

The situation over the past few days has shown that Chris Patten's decision to take a difficult path by stirring up political debates and opposing China, rather than the smooth path of Sino-British cooperation, has caused sharp division and growing antagonism among the Hong Kong citizens who are now unable to harmoniously seek a common understanding among themselves. A situation in which the Hong Kong people oppose the Hong Kong people, or the Hong Kong people oppose the hinterland people, is definitely not in the interests of Hong Kong's industrial and commercial prosperity and development, and the development of as close relations as lips and teeth between Hong Kong and the hinterland in terms of economic cooperation, because it runs counter to the aspirations of the majority of the Hong Kong people who hope to live and work in peace and contentment and see a smooth transition in 1997. Before Chris Patten made public his policy speech, the Chinese Government had repeatedly reminded him not to stir up debates and confrontation in public, but to do things in accordance with the Basic Law by exchanging views and ironing out differences with China on the basis of the long-standing fine Sino-British relations of cooperation, and through the existing channels of consultation between China and Britain. However, Chris Patten obstinately clung to his own course, went farther and farther, even extended the debates he stirred up to the Legco, and let the councillors face the consequences of his confrontational stance. His political intention was to "divide and control" the Hong Kong people. What he did was harmful to both the solidarity of the Hong Kong people and convergence with the Basic Law, thus landing the Hong Kong people in a disadvantageous position.

Any political reform must conform with the provisions of the Basic Law if it wants to remain in force after 1997. Otherwise, it would become invalid as soon as Patten's governorship ends. The on-going wranglings and vibrations are indeed meaningless. Chris Patten should have advanced a political reform package in accordance with the Joint Declaration, the understanding reached by the Chinese and the British foreign ministers through the letters they had exchanged, as well as the Basic Law

provisions regarding Hong Kong's political system. Chris Patten's political reform package should have been discussed by both China and Britain through their bilateral consultation so that it could have been made conducive to Hong Kong's smooth transition.

'Strong Discontent' Noted

HK1511085292 Hong Kong TA KUNG PAO in Chinese
15 Nov 92 p 2

[Editorial: "Lift a Rock Only To Drop It on One's Own Feet"]

[Text] The recent developments in Hong Kong affairs show that Chris Patten has taken another serious step in challenging the Chinese side, which has aroused strong discontent among different local social sectors.

However, Chris Patten looks very proud of his trick. As soon as he learned in Canada about the outcome of the debate in the Legislative Council [Legco], he lavishly boasted of it, saying that the Legco had held a round of "conscientious," "serious," and "lively" discussions; that "the Legco's debate has shown what is acceptable to Hong Kong people;" and that the package is "accepted by Hong Kong people, including the legislative body representing Hong Kong people." In his eyes, the Legco's adoption of [legislator Jimmy] McGregor's amended motion alone indicates that his constitutional package conforms with the popular aspiration and is accepted by Hong Kong people.

The latest debate and voting in the Legco was aimed at changing and reversing the agreement and understanding already concluded between China and Britain and at repudiating the concept of convergence in the local constitutional development. This does not represent the popular aspiration, but reflects Chris Patten's determination to openly forsake the principle of convergence with the Basic Law.

What Hong Kong people are most concerned about for the moment is how to observe the Sino-British Joint Declaration, the Basic Law, and the agreement and understanding already concluded between China and Britain so that Hong Kong will be assured of prosperity, stability, and steady transition. Therefore, they hope that the development of the political structure will converge with the Basic Law. Convergence is what the members of the public are unanimously looking forward to. In a "vindictory statement" recently issued, Chris Patten himself agreed that "constitutional development must converge with the Basic Law," and this is one of the two tasks that Hong Kong people have asked him to do. Now let us look at this latest Legco debate. As newspaper commentators pointed out: "The focus of the recent debates in the Legco is simply convergence;" "the 'convergence theory' that has once been regarded as sacred and inviolable by all the three parties of China, Britain, and Hong Kong is now facing a strong challenge and attack from some Legco members." The debate has now

ended with the rejection of Chim Pui-chung's amendment which was based on the view calling for convergence in constitutional development and steady transition of the Special Administrative Region [SAR] in 1997, and the adoption of McGregor's amended motion which supports Chris Patten's constitutional reform and its three principles. Repudiating the necessity of convergence in constitutional development and of steady transition means repudiating the basic spirit of the Sino-British Joint Declaration, the Basic Law, and the agreement and understanding already concluded between China and Britain. Can this be said to be consistent with the popular aspiration?

After the release of Chris Patten's policy address, people from all circles have made many criticisms and aired their opinions. They have pointed out that Patten's "Agenda for Hong Kong" has presented no new ideas on the topics of economic development and public welfare which Hong Kong people are most concerned about; instead it has provided a lot of empty talk, flashy and without substance. For instance, in face of today's changing world situation and the further development of reform and opening up in China, the "Agenda" has not offered any measures to promote Hong Kong's economy, to adjust the local production structure, to overcome the contradiction between low economic growth and high inflation, to narrow the gap between the rich and the poor, to deal with the problems related to social security, to safeguard social stability, and so on. What is more, Hong Kong people are very unhappy with the part about the constitutional package. They have pointed out that the package in substance violates the Joint Declaration, the Basic Law, and the agreement and understanding already concluded between China and Britain. They have aired many concrete opinions and criticized Chris Patten for refusing to consult with the Chinese side. The Legco, as a consultative body, should have represented Hong Kong people's interests and played a part in soliciting opinions from different circles, queried the Hong Kong governor's views on all the abovementioned issues, and pushed him to revise his package. This is what the Hong Kong public is expecting from the Legco. During the recent debate, however, the Legco set aside these issues which Hong Kong people are most concerned about, and discussed a matter which it should not have touched on and which it is not qualified to touch on, and it went so far as to adopt an amendment on the matter. In doing so the Legco has let Hong Kong people down. This being the case, can we say what the Legco has done is consistent with the popular desire?

Of course, this debate in the Legco was conducted under Chris Patten's pressure, and its outcome does not reflect the will of most Legco members. From the long debate that lasted seven hours, one can see that many Legco members spoke for Hong Kong people's interests and upheld the correct stand for convergence in constitutional development and steady transition. Hong Kong people will not forget them, and history will not forget them. From the debate one can see that some Legco members had no intention of contravening the popular will and opposing convergence, but in the end they made a choice contrary to the popular will under Chris Patten's pressure (as Chris Patten had stated that the Legco would be "bartering away its conscience" and would have to "take the responsibility for the consequence" if it did not support his package). It is believed that one day they will step forward to speak for the majority of Hong Kong people. From the debate one has also seen a bad show put on by Martin Lee and his ilk. These people were not holding a discussion, but were shouting abuses like a shrew in the street. They attacked others through to the end of the debate. Who and what did they attack? They attacked the CPC and the Chinese Government, the Sino-British agreement and the Basic Law, and all the Hong Kong people who had criticized Chris Patten's package. Let us see how they attacked the principle for the necessity of convergence with the Basic Law. One of them attacked the "through train program" (that is, convergence in constitutional development) as a "weapon for the CPC to intimidate Hong Kong people," claiming they do not want a "kowtow through train program"; the other said a "through train program" without supporting Chris Patten's package will be "a red pig wagon which is not carrying men but pigs—red pigs who can do nothing but keep on saying 'yes'." In making such a remark he was gnashing his teeth in hatred! This group of people who are earning their living solely by opposing China and pleasing Britain have been rendered Chris Patten's voting machine. When Chris Patten points to the West, they will not run eastward. So their act is nothing surprising.

McGregor's amendment that was passed in the Legco is not binding on Hong Kong people nor on the Chinese side and will have no validity on the political structure in Hong Kong. Hong Kong's return to the motherland is irreversible, and the Basic Law is bound to go into force. If the recent debate in the Legco is of any use, it is only that it has awakened people and enabled them to see more clearly Chris Patten's true colors as a man who would not hesitate to escalate confrontation and throw Hong Kong into chaos in order to scramble for more interests for Britain. As the Chinese saying goes: "Lift the rock only to drop it on one's own feet." Chris Patten should have intended to use the voting in the Legco as a "rock" to put pressure on and to hit the Chinese side, but he will drop the "rock" on his own feet and hurt himself.

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